

By Mr. MARTIN of Colorado: Joint resolution (H. J. Res. 543) to authorize an appropriation for the survey for the transmountain diversion of waters for irrigation, domestic, and industrial purposes in the State of Colorado; to the Committee on Irrigation and Reclamation.

Also, joint resolution (H. J. Res. 544) making an appropriation for a survey for the transmountain diversion of waters for irrigation, domestic, and industrial purposes in the State of Colorado; to the Committee on Appropriations.

By Mr. SNYDER of Pennsylvania: Joint resolution (H. J. Res. 545) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 8768) for the relief of the late Daniel J. Kenneally; to the Committee on Naval Affairs.

By Mr. HAMILTON: A bill (H. R. 8769) for the relief of the heirs at law of Barnabas W. Baker and Joseph Baker; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 8770) granting an increase of pension to Rosa B. Sutherland; to the Committee on Pensions.

By Mr. WOLVERTON: A bill (H. R. 8771) granting an increase of pension to Sarah C. Thomas; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3662. By Mr. CONNERY: Resolution of the City Council of Revere, Mass., protesting against the influx of foreign trade in shoes; to the Committee on Interstate and Foreign Commerce.

3663. Also, petition of citizens of Saugus, Mass., urging the defeat of any processing tax on wheat or flour; to the Committee on Ways and Means.

3664. By Mr. CURLEY: Petition of the United Federal Workers, endorsing House bill 8428 and Senate bill 3051 providing for a hearing and disposition of employee appeals from discriminatory treatment by superiors; to the Committee on the Civil Service.

3665. By Mr. HARRINGTON: Petition of Sioux County farmers; to the Committee on Agriculture.

3666. By Mr. HAVENNER: Petition memorializing Congress to provide for the continuance of Federal-aid highway funds by providing that the Highway Act of June 16, 1936, remain unchanged; to the Committee on Appropriations.

3667. By Mr. McCORMACK: Petition of the Railroad Retirement Board, Local No. 13, United Federal Workers of America, Jessica Buck, president, Railroad Retirement Board, Washington, D. C., urging early and favorable consideration of the McCormack 5-day workweek bill for Federal employees (H. R. 8431); to the Committee on the Civil Service.

3668. Also, resolution of the Massachusetts Federation of Taxpayers Association, Inc., Reginald W. Bird, president, 1 Beacon Street, Boston, Mass., urging that every effort be made to balance the Budget; to the Committee on Appropriations.

3669. By Mr. RICH: Petition of the Ulysses Grange, No. 1183, Ulysses, Potter County, Pa., protesting against the passage of the Black-Connery labor bill; to the Committee on Labor.

3670. By Mrs. ROGERS of Massachusetts: Petition of the city of New Bedford, Mass., in common council, favoring House Resolutions 354 and 355, directing the United States Tariff Commission to investigate the differences in the cost of production of the domestic cotton yarns and cloths and of any like or similar articles made in foreign countries; to the Committee on Interstate and Foreign Commerce.

3671. By the SPEAKER: Petition of the State of New Jersey Board of Commissioners of Pilotage, referring to the bills which propose to take away the work now done by the Army engineers; to the Committee on Rivers and Harbors.

3672. By Mr. SPENCE: Petition of residents of Covington, Newport, Bellevue, Dayton, Latonia, Fort Thomas, and Fort Mitchell, Ky., protesting against the levying of any excise or processing taxes on primary food products; to the Committee on Ways and Means.

3673. By Mr. TEIGAN: Petition of the City Council of Minneapolis, Minn., opposing Federal taxation of State and municipal bonds; to the Committee on Ways and Means.

SENATE

MONDAY, DECEMBER 20, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, December 17, 1937, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 8730) to amend the National Housing Act, and for other purposes, in which it requested the concurrence of the Senate.

NATIONAL HOUSING PROGRAM—HOUSE BILL REFERRED

Mr. BARKLEY. I request that House bill 8730, amending the National Housing Act, just messaged over to the Senate, be referred to the Committee on Banking and Currency.

There being no objection, the bill (H. R. 8730) to amend the National Housing Act, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Green	McAdoo
Andrews	Chavez	Guffey	McCarran
Ashurst	Connally	Hale	McGill
Austin	Copeland	Harrison	McKellar
Bailey	Davis	Hatch	McNary
Bankhead	Dieterich	Hayden	Maloney
Barkley	Donahay	Herring	Miller
Borah	Duffy	Hitchcock	Minton
Bridges	Ellender	Holt	Moore
Brown, N. H.	Frazier	Johnson, Colo.	Murray
Bulkeley	George	King	Neely
Bulow	Gerry	La Follette	Norris
Burke	Gibson	Lodge	Nye
Byrd	Gillette	Logan	O'Mahoney
Byrnes	Glass	Loneragan	Pepper
Capper	Graves	Lundeen	Pittman

Pope	Sheppard	Townsend	Walsh
Radcliffe	Shipstead	Truman	Wheeler
Reynolds	Smith	Tydings	White
Russell	Steiger	Vandenberg	
Schwartz	Thomas, Okla.	Van Nuys	
Schwellenbach	Thomas, Utah	Wagner	

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY] is unavoidably detained.

The Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Michigan [Mr. BROWN], the Senator from Missouri [Mr. CLARK], the Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LEWIS], the senior Senator from New Jersey [Mr. MOORE], the Senator from Louisiana [Mr. OVERTON], and the junior Senator from New Jersey [Mr. SMATHERS] are detained on important public business.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

REPORT OF THE CENTRAL STATISTICAL BOARD

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Select Committee on Government Organization, as follows:

To the Congress of the United States:

Pursuant to the provisions of section 5 (f) of the act of Congress approved July 25, 1935, I transmit herewith for the information of the Congress the Third Annual Report of the Central Statistical Board for the period from July 1, 1936, to June 30, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 20, 1937.

FILOMENO JIMINEZ AND FELICITAS DOMINGUEZ

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Filomeno Jiminez and Felicitas Dominguez, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

AMENDMENT OF NAVIGATION LAWS—MOTORBOATS AND VESSELS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend laws for preventing collisions of vessels, to regulate equipment of motorboats on the navigable waters of the United States, to regulate inspection and manning of certain motorboats which are not used exclusively for pleasure and those which are not engaged exclusively in the fisheries on inland waters of the United States, and for other purposes, which, with the accompanying papers, was referred to the Committee on Commerce.

OCTOBER REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the activities and expenditures of the Corporation for the month of October 1937, together with a statement of condition as of the close of business on October 31, 1937, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution from the Legislature of the State of Georgia, which was referred to the Committee on Finance:

Whereas cottonseed and peanuts are valuable money crops to the farmers of this State; and

Whereas the farmers of Georgia are vitally interested in obtaining a large and profitable market for cottonseed and peanuts; and

Whereas the food value of cottonseed oils and peanut oils are of immense importance and value to the people of the United States; and

Whereas the oils obtained from cottonseed and peanuts can successfully be used as shortening and margarine and by such use will create a market for these Georgia farm products; and

Whereas there are now in effect certain Federal statutes that require special taxes and special license which tend to restrict the use of cottonseed and peanut oil, margarines, and shortenings, and hence inure to the detriment of Georgia farmers: Therefore be it

Resolved, That the Congress of the United States be memorialized and petitioned to repeal the Federal statutes which now levy special taxes and licenses and other restrictions against the sale and use of food products made of cottonseed oil and peanut oil; be it further

Resolved, That the Georgia delegation in Congress be urged to actively assist in bringing about the repeal of the said statutes and restrictions; be it further

Resolved, That a copy of these preambles and resolutions be dispatched to the House of Representatives of the United States and to the Senate of the United States, as well as to each member of the Georgia congressional delegation.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from the Northern Federal Savings & Loan Association, by S. J. Calderhead, president, Seattle, Wash., praying for the amendment of pending housing legislation in accordance with suggestions of the United States Building and Loan League, which was referred to the Committee on Banking and Currency.

Mr. WALSH presented a resolution adopted by the Stoneham (Mass.) League for Peace Action, favoring the withdrawal of United States armed forces from war areas in China and the making of mediation offers to China and Japan, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a petition of sundry citizens of Millbury, Mass., praying for the enactment of legislation abolishing the Federal Reserve System as at present constituted and restoring to Congress its constitutional authority over the issuance of money, which was referred to the Committee on Banking and Currency.

Mr. COPELAND presented resolutions adopted by the Chambers of Commerce of Amsterdam and Utica, respectively, in the State of New York, favoring the enactment of legislation to remove tax and other restrictions operating adversely to business enterprise, which were referred to the Committee on Finance.

He also presented a resolution adopted by Caneadea, Allegany County (N. Y.), Grange, No. 1139, Patrons of Husbandry, protesting against the entrance of the United States into war, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Chamber of Commerce of Amsterdam, N. Y., protesting against the enactment of House bill 2927, pertaining to railroad freight rates or similar measures taking away from the Interstate Commerce Commission any part of its authority over railroad rate making, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Binghamton (N. Y.) Grange, No. 1072, Patrons of Husbandry, protesting against the enactment of legislation to transfer the Forest Service or any other agency of the Department of Agriculture to the Department of the Interior, which was ordered to lie on the table.

He also presented a resolution adopted by the Erie County League of Women Voters, Buffalo, N. Y., protesting against the enactment of the bill (S. 3022) to amend the law relating to appointment of postmasters, which was ordered to lie on the table.

REPORT OF COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. HATCH, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 5812) to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof, reported it without amendment and submitted a report (No. 1299) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

A bill (S. 3148) to amend a provision in the Naval Appropriation Act approved July 1, 1902 (32 Stat. 680), relative to payment of commuted rations of enlisted men; to the Committee on Naval Affairs.

By Mr. GUFFEY:

A bill (S. 3149) authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the city of Port Jervis, Orange County, N. Y., and the borough of Matamoras, Pike County, Pa.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3150) for the relief of Ernest S. Frazier; to the Committee on Military Affairs.

(Mr. REYNOLDS introduced Senate bill 3151, which was referred to the Committee on Immigration and appears under a separate heading.)

(Mr. SHEPPARD introduced Senate bill 3152, which was referred to the Committee on Naval Affairs and appears under a separate heading.)

By Mr. PEPPER:

A bill (S. 3153) for the relief of Gibbs Gas Engine Co. of Florida; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3154) relating to the registration of aliens who arrived in the United States between June 3, 1921, and July 1, 1924; to the Committee on Immigration.

By Mrs. GRAVES:

A joint resolution (S. J. Res. 238) to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.; to the Committee on the Library.

DEPORTATION OF ALIENS ENGAGED IN ACTIVITIES INIMICAL TO PUBLIC WELFARE

Mr. REYNOLDS. Mr. President, I desire to introduce a bill to provide for the prompt deportation of aliens engaged in espionage and other activities inimical to the public welfare.

In that connection I wish to read briefly from today's New York Times (December 20, 1937) an article the heading of which is as follows:

ROOSEVELT SEEKS BAN ON SPY PHOTOGRAPHS; HOUSE GROUP DECLARES THE MOVE NECESSARY

WASHINGTON, December 19.—A member of the House Military Committee said today that President Roosevelt wants to tighten up restrictions against the photographing of this country's fortifications.

Representative MAY, Democrat, of Kentucky, said that the Chief Executive had written the committee during his recent trip in southern waters urging legislation to prohibit the making of unauthorized photographs, sketches, or maps of "vital military and naval defensive installations and equipment."

Instead of taking the time of the Senate, Mr. President, I am going to send the article to the desk and ask that the remainder of it be incorporated in the RECORD as part of my statement.

The VICE PRESIDENT. Without objection, it is so ordered.

The remainder of the New York Times article is, as follows:

"Things going on on the Pacific coast made the legislation necessary," Mr. MAY said. He did not amplify the statement and asserted that the President's communication was not available.

"The committee is of the opinion that this measure is necessary to prevent important facts regarding our national defense installations from falling into the hands of persons who, through igno-

rance of their significance, or hostile intent, would permit them to be used to the detriment of the United States."

Secretaries Woodring and Swanson, of the War and Navy Departments, respectively, recommended the legislation. In a joint letter they said that it would "permit more effective control of the activities of free-lance motion-picture and still-picture operators in vital military and naval installations."

They said that prohibitory means of this nature have become necessary in the interest of national defense.

Another House Member, Representative THOMAS, Republican, of New Jersey, said yesterday that "agents of the Japanese Government are now engaged in a long-range study" of the Panama Canal, "photographing strategic points and charting naval and military defenses operated by the United States."

Mr. THOMAS predicated his statement on information which he said he acquired during a recent trip to the Canal Zone. He added that he was informed that Japanese boats operating in waters near the Canal "are maintained by the Japanese Government to spy on our defenses and to locate suitable landing places on the Pacific side of Central America."

Mr. REYNOLDS. Mr. President, I send to the desk the bill which provides for the expulsion and deportation of aliens in this country who are at all times, as a matter of fact, indulging in the making of motion pictures and still photographs of innumerable fortifications from the Atlantic to the Pacific and from the north to the south.

Before taking my seat I wish to say that various estimates have been placed upon the number of aliens at present in the country. The estimates run from 2,000,000 to 7,000,000. I think the time is ripe for us to give very serious and material consideration to the question of deporting particularly alien criminals.

In reference to the action being taken by Great Britain, I desire to have printed as part of my remarks an article which I have clipped from the New York Times of December 17.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITAIN TO DEPORT OVER 100,000 ALIENS—ENTRY INTO THE COUNTRY AND NATURALIZATION WILL BE MADE MORE DIFFICULT

The Fascist organization whose head is Sir Oswald Mosley is said to have retrieved to some extent its reputation with the Home Office, if not with the general public, by furnishing it with data proving that the demonstrations which recently dispersed the Fascist parades in London's East End and defied the police there, were principally the work of undesirable aliens.

So, according to the Sunday Express, Scotland Yard has received orders, similar to those recently issued by the French Ministry of the Interior, and "within the next 2 years more than 100,000 aliens will leave the country."

In the old days political refugees found in Britain, just as they did in the United States, an asylum free from persecution. Now they also seek in both countries a field for seditious propaganda. The Home Office, however, in its plans for the deportation of undesirables will act with discretion.

"The authorities will still refrain from sending home aliens who are faced with prospects of imprisonment or death on their return," says the London paper. "But every effort will be made to persuade these aliens to seek refuge in other countries."

"The campaign against undesirables will not be confined to London. Foreign populations in big provincial cities are also to be combed."

"The Ministry of Labor has been instructed to issue fewer permits for domestic servants to come here."

"Fearing expulsion, many aliens have recently applied for naturalization after neglecting this for years."

"In future scores of them will find that British naturalization has become more difficult to obtain. Foreigners arriving here will find it hard to get permission to stay."

"It was found recently that many aliens were returning home a few days before the end of the 3-month period after which registration is compulsory. Then a little later they would return."

"The game went on with many of them continually avoiding registration—and thus escaping police watch on their movements. The game has now been concluded by the British authorities."

Mr. REYNOLDS. Mr. President, I ask that my bill may be printed in the RECORD and referred to the Committee on Immigration.

The VICE PRESIDENT. Without objection, the bill of the Senator from North Carolina will be received, referred to the Committee on Immigration, and printed in the RECORD.

The bill (S. 3151) to provide for the prompt deportation of aliens engaged in espionage and other activities inimical to public welfare was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That an alien who entered the United States either from a foreign territory or an insular possession, either before or after the passage of this act, shall be promptly deported in the manner provided in sections 19 and 20 of the Immigration Act of February 5, 1917, as amended, regardless of when he entered, if he—

(1) At any time after entry has been engaged in espionage for a foreign government; or

(2) At any time after entry has been engaged in, or engages in, photographing, or attempts to photograph; sketching, or attempts to sketch; or makes maps or charts, or attempts to make maps or charts, of military or naval establishments, sites, strategic areas, installations, or equipment without the specific authority of the Secretary of War, where such authority is required by Executive order; or

(3) At any time after entry promotes, advocates, or incites discontent, disorder, or obstruction of agencies of transportation or production essential for the national defense.

SEC. 2. Any person who violates or aids or abets the violation of this act, or connives at its violation, shall upon conviction be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

LT. ARTHUR F. ANDERS, U. S. NAVY

Mr. SHEPPARD. I ask consent to introduce a bill for appropriate reference.

There being no objection, the bill (S. 3152) awarding a Navy Cross to Arthur F. Anders, was read twice by its title and referred to the Committee on Naval Affairs.

Mr. SHEPPARD. Mr. President, I have just introduced a bill authorizing the award of the Navy Cross to Lt. Arthur F. Anders, United States Navy, for extraordinary heroism in connection with the sinking of the U. S. gunboat *Panay* by Japanese airplane bombers near Nanking, China, on December 12, 1937.

While official reports are not yet available, eyewitness accounts tell the story of great bravery and the performance of duty, although severely wounded, on the part of Lieutenant Anders. These eyewitnesses, themselves survivors of the destruction of the *Panay*, state that although so severely wounded in the throat that he was without the power of speech, Lieutenant Anders—who was the executive officer of the *Panay* and is a native of Weimar, Tex.—the State I represent in part in the Senate—continued to issue the necessary orders to members of the crew and passengers, and for the safety of the other wounded, by writing his orders with crayon on the deck and sides of the ship.

In introducing this measure I feel that I am expressing the sentiments not only of my State, where Lieutenant Anders lives and has his citizenship, but of the entire country.

PREVENTION OF AND PUNISHMENT FOR LYNCHING—AMENDMENT

Mr. BORAH. Mr. President, I submit an amendment intended to be proposed by me to House bill 1507, an act to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching. I ask that the amendment be printed and lie on the table subject to call.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table.

EMPLOYMENT UNDER THE W. P. A.—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, which was ordered to lie on the table and to be printed.

REGIONAL CONSERVATION AND DEVELOPMENT OF NATIONAL RESOURCES

Mr. HAYDEN. Mr. President, I ask unanimous consent to submit an amendment in the nature of a substitute for House

bill 7365, to provide for the regional conservation and development of the national resources, and for other purposes. I ask to have the amendment printed and printed in the RECORD; and following the amendment, I request to have printed in the RECORD a memorandum explaining its terms.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That it is hereby declared to be the policy of Congress to develop, integrate, and coordinate plans, projects, and activities for or incidental to the promotion of navigation in order to aid and protect commerce among the several States and strengthen the national defense by controlling and safeguarding navigable and nonnavigable waters for the prevention of floods, the reclamation of arid and semiarid lands, and the conservation of the water, soil, forest, and other natural resources of the United States.

"SEC. 2. (a) There is hereby established a National Resources Board (hereinafter referred to as the Board) to be composed of seven members. Four of the members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate one of the members appointed by him to act as chairman of the Board, and the Board may elect any one of its other members as vice chairman. Each member of the Board appointed by the President shall receive a salary at the rate of \$10,000 a year and shall continue in office as designated by the President at the time of nomination for terms of 1, 2, 3, and 4 years, respectively, from the date upon which they qualify and take office; but their successors shall be appointed for terms of 4 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. The other three members of the Board shall be appointed without a fixed term in the following manner: The Secretary of War shall designate an officer of the Corps of Engineers to serve without additional compensation as a member of the Board, subject to removal therefrom in the discretion of the Secretary. The Secretary of the Interior and the Secretary of Agriculture shall likewise designate employees of the Departments of the Interior and Agriculture, respectively, to serve as members of the Board, without additional compensation, subject to removal therefrom in the discretion of the Secretary of the Interior and Secretary of Agriculture, respectively.

"(b) The three members of the Board designated by the Secretaries of War, Interior, and Agriculture, respectively, shall have the same power and authority as the members of the Board appointed by the President, except that the former shall give particular attention to the coordination of plans between the various departments and establishments of the Federal Government and to the integration of the planning activities of the Board, as herein-after provided, with the conduct of actual construction work by such agencies of the Federal Government as the Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service. A vacancy in the Board shall be filled in the same manner as in the case of an original appointment or designation, as the case may be. Vacancies in the Board, so long as there shall be four members in office, shall not impair the power of the Board to execute its functions, and four of the members in office shall constitute a quorum for the transaction of the business of the Board.

"SEC. 3. The Board is authorized (a) to conduct investigations, examinations, and studies, to analyze, assemble, coordinate, and from time to time review and revise basic information and materials appropriate to planning for the conservation and development of the natural resources of the United States, and on the basis thereof to initiate and propose, in an advisory capacity only, such plans and planning policies; (b) in furtherance of these ends, to consult with any Federal, State, or local governmental agency, as well as with any public or private planning or research organization; and (c) to prepare and submit reports and recommendations upon matters within its authorized jurisdiction, based upon the findings of its investigations, examinations, and studies, whenever the President or the Congress may request such a study, report, or recommendation from the Board upon any such matter.

"SEC. 4. (a) The Board shall submit to the President not later than October 15 of each year, or at such other time as the President may designate, plans for the development of the natural resources of the United States for the promotion of navigation, the control and prevention of floods, the reclamation of arid and semiarid lands, and such other plans for integrated regional developments as the Board finds necessary and advisable in the public interest for the conservation and prudent husbandry of the soil, mineral, water, and forest resources of the Nation, including the prevention of waste of the Nation's resources from drought, wind, and soil erosion, and the control and retardation of water run-off and the restoration and improvement of the absorption and infiltration capacity of the soil. Such plans shall indicate the order of preference and priority of the projects, activities, and regional developments.

"(b) The President shall annually transmit to the Congress the plans authorized to be presented by subsection (a) hereof with his recommendations as to their necessity or desirability, and with such

other comments and suggestions as may appear to him to be appropriate.

"Sec. 5. Regional planning boards (hereinafter referred to as regional boards) may be organized from time to time as determined by the Board to be necessary to effectively carry out the purpose and policy of this act. In establishing such regional boards and in prescribing the areas within which they shall function, the Board shall give due consideration to State boundary lines and to the major watershed regions of the Nation. The regional boards shall be subject to the supervision and control of the Board and each of such regional boards shall consist of seven members, three of whom shall be selected by the Board, one each from officers or employees of the War Department, Department of the Interior, and Department of Agriculture, upon the recommendation of the heads thereof, to serve without additional compensation, except necessary per diem and travel expenses as may be authorized by the Board. Four members of each regional board shall be residents of the area served by such regional board and shall be appointed by the Board to serve without remuneration, other than actual subsistence and travel expenses as authorized by the Board as well as a per diem compensation not in excess of \$30 while actually serving in their official capacity as members of such regional board.

"Sec. 6. The authority of the Board and the regional boards shall not extend to the preparation of detailed estimates for the construction of such projects as are recommended. The construction and operation of any such projects authorized by Congress as a result of any such recommendations shall be carried on by such agency as the Congress may direct without being supervised or controlled by the Board or the regional boards. The authority conferred by this act shall not be construed to deprive any State of control over its land and water resources, nor shall the jurisdiction of the Board or of the regional boards extend to consideration of, or recommendations relating to, plans or projects to be undertaken by the States in accordance with the provisions of the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented.

"Sec. 7. (a) The Board is authorized to appoint a secretary and to fix his compensation and prescribe his duties and responsibilities, without regard to the provisions of other laws applicable to the employment and compensation of officers of the United States. The Board may appoint, subject to the civil-service laws, such clerical employees as are deemed necessary and to fix their salaries in accordance with the Classification Act of 1923, as amended. The Board is authorized to accept and utilize voluntary and uncompensated services of any person or, with the consent of the State, any officer or employee of a State or political subdivision thereof, and to utilize, without additional compensation, the services of such attorneys, experts, consultants, and research assistants as may be, at the request of the Board, assigned for that purpose by the Secretaries of War, Interior, and Agriculture: *Provided*, That nothing herein shall be construed, in the case of such persons, to prevent the payment of necessary travel expenses and a per diem not in excess of \$10.

"Sec. 8. There is hereby authorized to be appropriated annually such sums as may be necessary to carry out the purposes of this act.

"Sec. 9. The National Resources Committee, created by Executive Order No. 7065, dated June 7, 1935, shall cease to exist and stand dissolved within 6 months after the approval of this act, and all records and property thereof shall be transferred to the Board, together with the unexpended balance of all moneys heretofore or hereafter made available for expenditure by the National Resources Committee, such moneys to be used by the Board in the administration of this act. All existing obligations of the National Resources Committee shall be assumed by the Board. Such employees of the National Resources Committee as shall be designated by the Board and shall pass noncompetitive examinations of fitness, as prescribed by the Civil Service Commission, shall acquire a classified civil service status and become employees of the Board, and shall be subject to the provisions of the Classification Act of 1923, as amended.

"Sec. 10. This act may be cited as the 'National Resources Act of 1938.'"

The memorandum submitted by Mr. HAYDEN is as follows:

MEMORANDUM BY SENATOR HAYDEN ON AMENDMENT TO H. R. 7365

The substitute national planning proposal which I have submitted is designed to accomplish the following purposes:

1. To make plain that no national or regional planning authority is to have any measure of control over the construction of public roads by the States so as to interfere with the operation of the Federal Aid Highway Act of 1916, as amended.
2. To guarantee to the States jurisdiction and control over their own lands and water resources.
3. To eliminate the possibility of there being established another agency of the Government which would engage in the construction of flood control, reclamation, erosion control, and other projects. Existing Federal agencies are prepared through long experience to continue such actual field construction and super-

vision. What is needed is more coordination between the various bureaus and departments of the Federal Government, which is the aim of the proposal I am offering.

4. To establish a national planning agency that can operate at a minimum of expense. It is for this reason that no provision is made for extensive employment of personnel, but machinery is set up for utilizing the services of experts from the Federal and State Governments.

5. To prevent the creation of rigidly defined national regions operating without respect to State lines. Regional boards functioning under the supervision and control of the national board are authorized to be established. The designation of particular regions is not fixed by inflexible law but left to the discretion of the national board. A majority of the members of the regional boards would be residents of their region in order to insure a proper local perspective.

The substitute bill

1. Sets up a National Resources Board of seven members (four appointed by the President for staggered 4-year terms, and three designated by the Secretaries of War, Interior, and Agriculture).
2. Authorizes the Board to formulate plans for flood control, reclamation, and conservation of natural resources generally.
3. Provides for cooperation and integration of the activities of the several Federal departments and bureaus concerned with conservation work.
4. Limits the activities of the Board to planning without supervision of actual construction.
5. Directs the submission of an annual report to the President with recommendations as to priorities for construction among conservation projects.
6. Authorizes the establishment by the National Board of regional boards functioning under its direction and composed jointly of Federal employees and residents of the region.

STATISTICS OF AMERICAN NATIONALS, ARMED FORCES, AND INVESTMENTS IN CHINA

Mr. STEIWER submitted a resolution (S. Res. 210), which was ordered to lie over under the rule, as follows:

Resolved, That the Secretary of State is requested to transmit to the Senate at the earliest practicable time the following information, based upon the latest available statistics: (1) The approximate number of American nationals residing in the Republic of China; (2) the approximate number of officers and enlisted personnel of our Army, Navy, and Marine Corps now stationed in said Republic; and (3) the approximate amount of American capital invested in said Republic and the names and addresses of the principal investors.

ADDRESS BY HON. JAMES A. FARLEY AT BANQUET OF YOUNG DEMOCRATIC CLUBS, BALTIMORE, MD.

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD an address delivered by Chairman James A. Farley, of the Democratic National Committee, at the annual banquet of the Young Democratic Clubs of Maryland, Baltimore, Md., November 17, 1937, which appears in the Appendix.]

ADDRESS BY J. F. T. O'CONNOR AT UNVEILING OF BUST OF JOHN MARSHALL

[Mr. NEELY asked and obtained leave to have printed in the RECORD an address delivered by J. F. T. O'Connor, Comptroller of the Currency, on the occasion of the unveiling of the bust of John Marshall at the centennial anniversary celebration of the founding of Marshall College, at Huntington, W. Va., June 3, 1937, which appears in the Appendix.]

DEDICATION OF AMERICAN KEMMEL MEMORIAL NEAR YPRES, BELGIUM

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an address delivered by Brig. Gen. J. P. B. Clayton Hill, of Maryland, at the dedication of the American Kemmel Memorial near Ypres, Belgium, August 8, 1937, which appears in the Appendix.]

ACTION OF COURTS ON DECISIONS OF NATIONAL LABOR RELATIONS BOARD

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement of the decisions of the National Labor Relations Board which have been passed upon by the courts, which appears in the Appendix.]

CALIFORNIA GAS RATES—ARGUMENT BEFORE SUPREME COURT OF THE UNITED STATES

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a summary of the oral argument of Oswald Ryan, General Counsel of the Federal Power Commission, before the Supreme Court of the United States on November 11, 1937, in the case of the Pacific Gas & Electric Co. against Railroad Commission of California, which appears in the Appendix.]

TAX-EXEMPT SALARIES AND SECURITIES: A REEXAMINATION—ARTICLE BY JOSEPH L. LEWINSON

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Joseph L. Lewinson, published in the American Bar Association Journal for September 1937, entitled "Tax-Exempt Salaries and Securities: A Reexamination," which appears in the Appendix.]

SURVEY OF BUSINESS CONDITIONS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article dealing with a survey of business conditions by Fred Y. Presley, president of the National Industries Corporation, published in the New York Times, which appears in the Appendix.]

THE FARM BILL

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article on the farm bill by Dorothy Thompson, published in the New York Herald Tribune of December 20, 1937, and also an editorial dealing with the same subject, published in the Washington Post of Sunday, December 19, 1937, which appear in the Appendix.]

SINKING OF THE U. S. S. "PANAY"

The VICE PRESIDENT. When the Senate took a recess on Friday last it had under consideration what is known as the antilynching bill. The Senator from Missouri [Mr. TRUMAN] gave notice that he would like to address the Senate this morning. The Chair recognizes the Senator from Missouri.

Mr. COPELAND. Mr. President, will the Senator from Missouri yield to me?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New York?

Mr. TRUMAN. I yield.

Mr. COPELAND. Mr. President, I should like to have the attention of the chairman of the Committee on Foreign Relations for a moment. Last night in a privately sponsored radio broadcast the Japanese Ambassador made a statement regarding the unfortunate affair in China. I ask that this very short statement be included in the RECORD at this point in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, December 20, 1937]

Ambassador Saito in his address said:

"The attack made last Sunday by Japanese naval aircraft on the American gunboat *Panay* and the three Standard Oil vessels on the Yangtse River was a shocking blunder. The Japanese Government and people are grieved beyond expression of words on account of the unfortunate occurrence. Apologies and regrets have gone officially and unofficially from all quarters in Japan to your representatives and to your citizens residing in my country.

"Acting under instructions from home, I have, myself, offered official expression of regrets to your Government. Amends, of course, all Japanese are only too anxious to make. Indemnities our Government has already declared its intention to pay. The material loss is hardly of moment. What is impossible to redeem is the loss of life. No compensation which mortal man can make for that is adequate for the families bereft. This, therefore, we must deplore.

"Our authorities had, of course, no thought that such a blunder could have occurred, and they were amazed when the news of it came. But now that it has occurred, they are doing their best to see that no repetition of similar incidents should occur.

"The naval officer who was in command of the aircraft squadron in Shanghai has been dismissed and recalled home. All other necessary steps are being and will be taken so that guarantees of

safety will, in the future, be assured all foreign persons and interests."

Mr. COPELAND. Mr. President, may I ask the Senator from Nevada have we had any official statement regarding the situation growing out of the *Panay* incident?

Mr. PITTMAN. As chairman of the Foreign Relations Committee, I have not received any official communication for the committee.

Mr. COPELAND. This is a very remarkable statement made by the Ambassador. He professes, for his country, to be extremely sorry and confesses the fault of his country, but, so far as the Senator is concerned, there has been no official statement presented?

Mr. PITTMAN. No; there has not been.

Mr. COPELAND. Is it not rather remarkable that the Ambassador, over a privately sponsored program, should give assurances in advance of any official statement to our Government?

Mr. PITTMAN. If I understand the Senator from New York correctly, he is inquiring whether any official statement in the State Department has been sent to the Foreign Relations Committee. Is that the question?

Mr. COPELAND. Yes.

Mr. PITTMAN. No; it has not been.

Mr. COPELAND. The purpose I have in making the statement this morning is that I have been called repeatedly from New York and elsewhere by various newspaper offices regarding the matter, and it seemed to me it ought to be brought to the attention of the Senate.

Mr. CONNALLY. Mr. President, referring to the question of the Senator from New York, I think it is fair to say that—as the newspapers reported—an official statement expressing regret came from the Japanese Government to the Secretary of State, but it was stated that the statement came before the receipt by the Japanese Government of the note from our Government. So far as any reply to that note is concerned, I am not aware of any, but I think it ought to be shown that there was a statement by the Japanese Government to our Government early in the proceedings.

Mr. COPELAND. It seems to me to be remarkable that in advance of any official information to our Government this private statement of the Ambassador should be given the publicity it has received. That is why I made the comment I have.

Mr. CONNALLY. I may say to the Senator from New York that it is a very unusual proceeding for a foreign ambassador to make an address directly to the people of the country to which he is accredited without transmitting that statement through the regular channels of the Department of State or the Office of the Secretary of State.

THE JAPANESE SITUATION—STATEMENT BY SENATOR BURKE

Mr. TRUMAN. Mr. President, I ask to have printed in the RECORD a statement by the junior Senator from Nebraska [Mr. BURKE] regarding the handling of the Japanese situation by the President and Secretary of State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BURKE DEPLORES WAR SENTIMENT—SAYS ROOSEVELT AND HULL ARE HANDLING SITUATION IN ABLE MANNER

(The junior Senator from Nebraska here presents his views on outstanding problems confronting the Nation. Senator BURKE, a Democrat, was a leader in the fight against the Roosevelt court plan and was one of the signers of the 10-point recovery plan, drawn up by a group of conservative Senators.)

(By Senator EDWARD R. BURKE)

President Roosevelt and Secretary of State Hull are handling the controversy with Japan over the bombing of American ships and the loss of American lives in a wise and able manner, and they should have the united support of the American people.

Now is no time for division among the American people, and I consider it most unfortunate that the House resolution providing for a referendum on war should have been brought up for consideration at this time. The action taken by the State Department

is the only wise course to pursue and should have the backing of the entire Nation.

ESTATE OF JOHN F. HACKFELD, DECEASED—CONFERENCE REPORT

Mr. CONNALLY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "just compensation, not exceeding a sum which will represent, with the amount already paid, the then true value of the corporate stocks and other property hereinafter referred to but without any interest on the same, including"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 2 and agree to the same.

TOM CONNALLY,
WILLIAM H. DIETERICH,
WARREN R. AUSTIN,
Managers on the part of the Senate.
ALFRED F. BEITER,
THOMAS O'MALLEY,
CHARLES R. CLASON,
Managers on the part of the House.

The report was agreed to.

RAILROAD FINANCES

Mr. TRUMAN. Mr. President, on June 3 of this year I made a brief statement regarding the disclosures before the special committee of the Senate investigating railway finance. In that statement I called the attention of the Senate to certain things that had been disclosed before the special committee. The committee has gone further into these matters and for 10 or 15 minutes I wish to submit a report to the Senate of some of the things that have been disclosed before that committee.

We have the spectacle of the preferred list and the gratuity list. Before the Senate Special Committee Investigating Railway Finance it was testified that J. P. Morgan & Co. had a preferred list of customers to whom they sold securities. The list consisted of high officers and directors of various great insurance companies, banks, trust companies, and other financial interests of the country. The Metropolitan was represented by its president and a director, the New York Life by three directors, the Prudential by two directors, the John Hancock Life by a director, the Bank of New York & Trust Co. by a director, Bankers Trust Co. by five directors, Chemical Bank & Trust Co. by a director, Chase National by two directors, New York Trust Co. by its board chairman and two trustees, Guaranty Trust Co. by eight directors and its board chairman.

When Morgan intended to offer an issue of securities he let these gentleman in on the ground floor, so to speak, at a price considerably below the when-issued price and below that at which the issue was started on the market. Several members of the listing committee of the Exchange, itself, were on this so-called preferred list, too. That, of course, would make listing easy. The well of resources from which Morgan, Kuhn, Loeb, and the other so-called investment bankers drew for the sale of bond and stock issues, was the reserves of the great life-insurance companies and the funds of the great trust and savings banks of the country. It is easy to see how very valuable such a preferred list could become.

Mr. GUFFEY. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. TRUMAN. I yield.

Mr. GUFFEY. Did the Senator's investigation disclose that two present members and a former chief justice of the Supreme Court of the State of Pennsylvania were also on the preferred list?

Mr. TRUMAN. It did, and I expect to point out to the Senate where that list can be found; and, if it is desired, it can be placed in the RECORD.

In the reorganization of the various railroads investigated by the committee, the reorganizations were carried on by committees from the various great insurance and trust companies. It is curious to note that a number of these committees represented institutions some of whose officers and directors were members of the preferred list. Kuhn, Loeb had a preferred list also. They sold hundreds of millions of rail bonds to the insurance and trust companies, and on the reorganizations in which they are interested many of the same names appear as appear in the ones in which Morgan is interested. The Missouri Pacific, the Chicago, Milwaukee, St. Paul & Pacific, the Chicago & Eastern Illinois, the Frisco, the Rock Island, the Cotton Belt, the Seaboard—to a considerable extent the same reorganization committee personnel, same lawyers—why, it is almost a racket, or, I might say, the biggest racket on earth.

At this point I ask permission to insert in the RECORD Morgan's preferred list and the railroad reorganization list of the big insurance companies and New York banks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The list is as follows:

Officers, directors, or partners of corporations and firms acquiescing in debtors' plan in Missouri Pacific System reorganization, who were on J. P. Morgan & Co. preferred list for Alleghany stock

(See more detailed exhibit)

Institution or firm and person:	Number of shares allotted to such person
Metropolitan Life Insurance Co.:	
Frederick H. Ecker, chairman.....	1,000
Mitchell D. Follansbee, director.....	1,000
New York Life Insurance Co.:	
Mortimer N. Buckner, director.....	500
Charles D. Hilles, director.....	1,000
Percy H. Johnston, director.....	1,000
Prudential Insurance Co.:	
Hendon Chubb, director.....	1,000
W. Palen Conway, director.....	3,000
John Hancock Mutual Life Insurance Co.:	
Charles Francis Adams, director.....	1,000
Bank of New York & Trust Co.:	
Allen Wardwell, director.....	300
Milbank, Tweed, Hope & Webb:	
Albert G. Milbank, partner.....	500
Kuhn, Loeb & Co.:	
The firm itself.....	5,000
Bankers Trust Co.:	
Stephen Birch, director.....	1,200
C. N. Bliss, director.....	1,000
Seward Prosser, chairman.....	12,000
Charles D. Hilles, director.....	1,000
John J. Raskob, director.....	2,000
Chemical Bank & Trust Co.:	
Percy H. Johnston, director.....	1,000
Chase National Bank:	
Frederick H. Ecker, director.....	1,000
Thomas N. McCarter, director.....	1,000
New York Trust Co.:	
A. M. Anderson, trustee.....	11,500
Mortimer N. Buckner, chairman of board.....	500
H. P. Davison, trustee.....	2,500
Guaranty Trust Co. of New York:	
John W. Davis, director.....	400
Philip G. Gossler, director.....	1,000
Eugene G. Grace, director.....	1,000
Cornelius F. Kelley, director.....	1,000
Thomas W. Lamont, director.....	18,000
W. C. Potter, chairman of board.....	40,000
George Whitney, director.....	14,000
L. Edmund Zacher, director.....	500
George G. Allen, director.....	500

Mr. TRUMAN. I wish to say to Senators that if they desire to see the complete list referred to, it will be found at page 885 of the Stock Exchange hearings before the Banking and Currency Committee of the Senate in May and June 1933. It will be found in part II of those hearings. I will here insert the complete list.

The PRESIDING OFFICER. Without objection, the list will be printed in the RECORD.

The list is as follows:

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933
 "Selected list" of J. P. Morgan & Co. to whom stock was sold
 [Unit: 1 share common, 1 class A warrant, 1 class C warrant]

Sale price.....	Market price.....	Date.....	Name of issue and number of shares sold					
			Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	
			\$20.....	\$47.50.....	\$57.50.....	\$32.....	\$75.....	\$25.
			\$31-\$35.....	\$79.....	\$79.....	\$36½-\$37 (July 6, 1929)	\$93.....	27 common.
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	9¼ class A warrant.
								No quote class C.
								Aug. 19, 1929.
Name	Title, directorships, etc.		Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units
Charles Francis Adams.....	Ex-Secretary of Navy.....	1,000						
Helen B. Achilles.....							300	
Alamance Club.....						1,000		
W. H. Aldridge.....	Director Johns-Manville Corporation, Texas Gulf & Sulphur Co., New York Trust Co., International Telephone & Telegraph Co., United States Guarantee Co.	1,000		1,000		1,000	1,000	
George G. Allen.....	Director Aluminum Co. of America, Guaranty Trust Co., Texas Co.	500						
Alta Corporation.....						2,000		
Alice M. Anderson.....				8,500		10,000		
Arthur M. Anderson.....	Partner J. P. Morgan & Co.; director International Telephone & Telegraph and Postal Telegraph & Cable.	11,500					2,000	
Joseph Andrews.....							100	
Montgomery B. Angell.....		100						
Argonaut Securities Corporation.....						1,000		
Mrs. Irma D. Ashmead.....							50	
Asiel & Co.....	Brokers.....					2,000		
L. C. R. Atkin.....							100	
Atlantic-Merill Oldham Corporation.....							1,000	
J. Howland Auchincloss.....	Attorney-banker.....	300					300	
Chellis A. Austin.....		500				1,000	500	
Isabel Valle Austin.....							200	
Gaspar G. Bacon and Geo. Whitney.....	Trustees, deed dated Nov. 13, 1914.....						500	
Mrs. Hope N. Bacon.....							1,000	
Priscilla T. Bacon, Geo. Whitney and Gaspar G. Bacon.....	Trustees.....						500	
George F. Baker.....	Director First National Bank, First Security Co. of New York, New York Central R. R.	10,000					5,000	
George F. Baker, Jr.....	Director First National Bank of New York, United States Steel Corporation, General Electric Co.			5,000				
Newton D. Baker.....	Former Secretary of War, director Baltimore & Ohio R. R.	2,000						
Donald C. Bakewell.....							160	
Bankers Co. of New York.....						10,000	5,000	
Chas. D. Barney & Co.....	Brokers.....					2,000		
Chas. H. Barnes.....							30	
D. S. Barrett, Jr.....		2,000						
F. D. Bartow.....	Partner, J. P. Morgan & Co.....	11,500	8,500			11,000		
F. D. Bartow, special.....		3,000						
T. R. Beal.....								1,000
Beech Corporation.....				18,500				
Sesthenes Behn.....	Director International Telephone & Telegraph, All American Cables, General Sugar Corporation, National City Bank.	1,000		1,000		1,000	1,000	
Hernand Behn.....						1,000		
Bernard M. Baruch.....						4,000		
Otto F. Behrend.....							100	
L. V. Belden.....	Partner, Belden & Co., 44 Wall Street.....	1,000						
C. J. Bennett.....							15	
Mrs. Mary Case Bench.....	Director Chesapeake & Ohio R. R., Pere Marquette R. R.	500						
Julius Bergen.....						300		
J. J. Bernet.....	President Erie R. R. Co.....	5,000				500	500	
G. T. Bishop.....								1,000
Stephen Birch.....	Director Kennecott Copper Corporation, Bankers Trust Co. of New York, Chicago, Burlington & Quincy, Erie R. R.; Northern Pacific.	1,200		1,000		4,000	1,000	
C. N. Bliss.....	Director Bankers Trust Co., Metropolitan Opera House Estate Co., New York Life Insurance Co., New York, New Haven & Hartford, Radio Corporation of America.	1,000		1,000		2,000	2,000	
Blyth & Co.....							1,500	
Bonbright & Co., Inc.....		10,000				20,000	202,930	
Amy W. Board.....							25	
Claude K. Boettcher.....						1,000		
S. D. Bowdine.....								500
Charles Bradley.....	Director Saranac Realty Co.....	7,500				500		
Nicholas F. Brady.....	Director New York Edison Co.....	2,000				5,000	3,000	
Charles S. Brewer.....	Director New York Stationers Association.....						1,000	
Bradford Brinton.....	Director J. I. Case.....						300	
Brown, Brothers & Co.....	Brokers.....					5,000	3,000	
George F. Brownell.....	Vice president Erie R. R.....						200	
Mathew C. Brush.....	Director Air Reduction Co., Inc., Aviation Corporation, and Bank of Manhattan Trust Co.	1,000				2,000	1,000	
E. G. Buckland.....	Director New York, New Haven & Hartford, Railway Express Agency, and New York, Ontario & Western R. R.	500				500		
M. N. Buckner.....	Director New York Clearing House Association and New York Trust Co.	500						
Roger H. Bullard.....							50	
George Burgess.....							50	
W. E. Burnet.....	Director Southern Porto Rico Sugar Co. and W. E. Burnet Co.	500				1,000	200	
Ward M. Canaday.....							1,000	
William C. Cannon.....	Director First National Bank & Trust Co. of Montclair, N. J.	200					300	

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
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			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929.
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
Callaway, Fish & Co.	Brokers				1,000			
F. L. Carlisle	Niagara Hudson Corporation—Consolidated Gas of New York and F. L. Carlisle Co.				2,000			
W. L. Carson						100		
George W. Carpenter & Kath						405		
Edward F. Carry		1,000		1,000				
Bernard S. Carter		2,500						
J. Ridgely Carter		2,500						
Arthur O. Choate	Partner Clarke, Dodge Co. and director Pullman Co.			1,500				
Chicago Corporation					3,000			
E. H. Clark						500		
Alfred H. Clark						500		
Sir Thomas S. Catta		1,000						
Hendon Chubb		1,000			2,000			
Clarke, Dodge & Co.	Brokers	2,000			10,000	5,000		
Leon R. Clausen					500	500		
Climax Corporation					2,500			
M. Clothier							500	
B. C. Cobb	Chairman of board, C. & S. Corporation						4,000	
Thomas Cochran	Partner J. P. Morgan & Co.	2,000 15,000	26,000		25,000			
Continental National Bank & Trust Co.						3,000		
Calvin Coolidge	Former President of United States				3,000			
C. O. Cooper					1,000			
C. A. Corliss					1,000			
Corn Exchange Bank & Trust Co.					1,000			
E. C. Congdon						160		
H. C. Couch							500	
Walter Craig					100			
Clinton H. Crane	Director St. Joseph Lead Co., and United States Guaranty Co.	500			1,000			
S. M. Crocker	Vice president Int. G. E. Co.					100		
Patrick E. Crowley	Director N. Y. Central R. R. and Cleveland, Cincinnati, Chicago, & St. Louis R. R.			(Mr.) 500	500	(Mrs.) 500		
George Dahl	President Dahl Oil Burner Co.					40		
A. B. Davis						10		
Donald K. David	Director Bowery Savings Bank, R. H. Macy & Co., and Standard Brands, Inc.	200				200		
Arthur V. Davis	Director Aluminum Co. of America, Marine Midland Corporation, and Mellon National Bank.	1,000			1,000	1,000	2,000	
Henry G. Davis						100		
John W. Davis	Davis, Polk, Wardwell, Gardiner & Reed	400			5,000	500		
Norman H. Davis	Trustee Bank of New York & Trust Co., director Seaboard Airline Ry. Co.		250		500	250		
H. P. Davison	Partner, J. P. Morgan & Co.	2,500	1,500		2,500			
Lewis O. Dawes						300		
Charles Day							1,000	
D. Debevoise						10		
Moreau Delano	Broker, Brown Brothers					1,000		
W. F. Delany						20		
J. A. M. DeSanchez						25		
E. R. Dibrell	Director Associated Dry Goods Corporation of New York.	500			500	250		
W. C. Dickerman							1,000	
D. J. Dimock						50		
Dominick & Dominick	Brokers	2,000			10,000	5,000		
Wallace B. Tenham					1,000			
Drexel & Co.		50,000	4,000	500	42,000	87,000		
Camille Dreyfuss	President, Celanese Co.					300		
Calib C. Dula		500						
W. Echtermeyer						10		
F. H. Ecker	Director and president Metropolitan Life Insurance Co., American Express Co., and Chase National Bank of New York.	1,000			2,000	1,000		
Cornelia Cousins Egan					500			
Cornelia O. Egan						200		
Martin Egan	Director, Time, Inc., and with J. P. Morgan & Co.		500		500			
Dean Emery						500		
R. W. Emmens, 3d	Gammick & Co., member of firm					100		
Alwena G. Evans						5		
Evans, Stillman & Co.	Brokers				3,000	500		
William Everdell	Vice president Continental Mortgage Guaranty Co.					150		
George B. Everitt	Director Montgomery Ward Co., Inc., Johns Manville Corporation.	500			1,000	500		
Frederic Ewing	Vice president Standard Oil of New York		200			500		
J. V. Ewing Estate						300		
Maria T. Ewing			2,400					
William Ewing	Trustee for Jane Ewing		600					
Do.	Partner J. P. Morgan & Co.	10,000	3,565		10,000			
Do.	Trustee for Jessie V.		600					
Do.	Trustee for Grace V.		600					
Do.	Trustee for William, Jr.		500					
William Ewing, special						100		
G. Faccioli						80		
Eliot Farley	Director D. L. & W.					1,000		
Mildred Farwell						200		
Dr. E. Ross Faulkner						500		

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
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Sale price	Market price	Date	Name of issue and number of shares sold					
			\$20.....	\$47.50.....	\$57.50.....	\$32.....	\$75.....	
			\$31-\$35.....	\$79.....	\$79.....	\$36½-\$37 (July 6, 1929)	\$93.....	\$25. 27 common. 9½ class A warrant. No quote class C.
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929.
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
Samuel Ferguson								500
W. C. Finley						500		
Marshall Field					2,000			
First Chicago Corporation					3,000	2,000		
First National Corporation						2,000		
First Security Co.	J. P. Morgan is director of this company.	30,000			25,000	15,000		
Lawrence P. Fisher	Director General Motors Corp.	10,000				2,000		
Herbert Fitzpatrick	Director Pere Marquette R. R., and Chesapeake & Ohio R. R.	1,000						
Carl Flach						50		
Max C. Fleischmann	Director Standard Brands, Inc.	1,000				1,000		
Mitchel D. Follansbee		1,000						
H. A. Fortington	Director Globe Indemnity Co., Newark Fire Insurance Co., and Royal Indemnity Co.	500			500	500		
Albert Foster, Jr.						30		
Terese Fowler						10		
P. A. S. Franklin	Director International Mercantile Marine, and National City Bank of New York.	1,000		500	1,000	1,000		
Harry Frass						10		
W. E. Frew	Chairman board Corn Exchange Bank.	500			1,000	1,000		
Giovanni Fummi		1,000		500	500	500		
W. Tracy Gaffey					1,000			
G. L. Gagan						10		
Michael Gallagher	Director Pere Marquette R. R., and Pittston Co., Cleveland.	1,000						
Mary B. Gammack						100		
Thos. H. Gammack						200		
George H. Gardiner	Davis, Polk, Wardwell, Gardiner & Reed.	500				500		
Thos. Garrett, Jr.		200				100		
Lydia K. Garrison						20		
Mrs. P. McK. Garrison						60		
A. L. Gates					5,000			
Thomas S. Gates	Former partner Drexel & Co.		10,000					
Harvey D. Gibson	Director Manufacturers Trust Co. and Aeolian Co.	500		1,500		1,000		
David L. George						100		
F. Gibbons						10		
Walter S. Gifford	Director American Telephone & Telegraph and president Bank for Savings, and United States Steel Corporation.	1,000		500	1,000			
Mrs. S. Parker Gilbert	Wife of partner J. P. Morgan & Co.	500			500	250		
J. Gindorf						10		
Phillip G. Gossler	Director American Investors, Inc., Guaranty Trust Co. of New York, United Corporation, and president Columbia Gas & Electric.	1,000			2,500	2,000	1,000	
Eugene G. Grace	Director Bethlehem Steel Corporation and Guaranty Trust Co. of New York.	1,000						
R. F. Grant	Director Burns Bros., New York and New Jersey and Lehigh Valley Coal Co.	500						
Rudolph Goepel						100		
E. C. Grenfell	Morgan, Grenfell & Co., London.	1,800						
C. E. Greesbeck								2,000
Guaranty Co. of New York		500,000				10,000	5,000	
Do		1,600						
Guggenheim Bros.					5,000	5,000		
Perry E. Hall	Partner Drexel & Co.		500		1,000			
Reginald Halladay	Partner Halladay & Co., director Carib Syndicate.			1,200	2,000			
T. D. Hallett						10		
Hambleton & Co.						500		
C. P. Hamilton	Vice president American European Securities Co.					1,000		
Henry Hamill						10		
P. T. Hanscom	Director United Electric.					1,000		
W. J. Harahan		1,000			500			
Albert H. Harris				500	500			
Walter P. Haskell						10		
Chester W. Hawkins						5		
Harris, Forbes Corporation					5,000			
Mrs. Hebe Harris						500		
The N. W. Harris Co.					2,000			
Horace Havemeyer	Director Brooklyn Eastern District Terminal, Delaware, Lackawanna & Western, and Remington Arms.	1,000			1,000			
Charles Hayden	Director Adams Express Co., American Express, Coca Cola Co., and 70 other large companies.	2,000		1,000		5,000		
Haystone Securities Corporation					5,000			
Michael G. Herbert		1,200						
R. C. Hill					500	250		
Wm. Hill-Wood						100		
Chas. D. Hilles	Director American Smelting & Refining, Bankers Trust Co., and New York Life Insurance Co.	1,000		500	2,000	1,000		
J. J. B. Hilliard & Sons					1,000			
Geo. C. Hitchcock						300		
Hitt, Farwell & Co., 1 Wall Street		500			1,000	500		
George Holton					100	50		
Hornblower & Weeks					2,000			
J. A. House	Director Union Lake Erie R. R., Cleveland Builders Supply Co., and Goodyear Tire & Rubber.	1,000						

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
 "Selected list" of J. P. Morgan & Co. to whom stock was sold—Continued
 [Unit: 1 share common, 1 class A warrant, 1 class C warrant]

Sale price	Market price	Date	Name of issue and number of shares sold					
			\$20	\$47.50	\$57.50	\$32	\$75	\$25.
			\$31-\$35	\$79	\$79	\$36½-\$37 (July 6, 1929)	\$93	\$27 common. 9½ class A warrant. (No quote class C.)
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929.
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
Wm. E. Holloway, Jr.						10		
George H. Houston					1,000			
George H. Howard	Director Commonwealth Southern Electric Bond & Share Co., American Foreign Power Co., and president United Corporation.	1,000			2,000			10,000
R. G. Hutchins	Director Allis Chalmers Manufacturing Co., J. B. White Engineering Co., and New York, New Haven & Hartford R. R.	1,000				500		
W. J. Hutchinson	C. J. Lawrence & Sons					500		
Arthur Curtiss James	Director Chicago, Burlington & Quincy, First Security Co. of New York, and Phelps Dodge Co.	1,000			2,000	2,000		
Benjamin Joy		2,500						
Nelson D. Jay		2,500						
A. N. Jones						50		
W. J. Jones						10		
Jessup & Lamont	Brokers				1,000			
Percy H. Johnston	President Chemical Bank	1,000			1,000	1,000		
Keane Taylor & Co.						500		
J. J. H. Keating						200		
F. B. Keech & Co.	Brokers				1,000			
Dan'l Kelleher						250		
A. J. Kennedy						50		
Cornelius F. Kelley	Director Anaconda Copper Corporation, Chile Copper, and Guaranty Trust Co.	1,000		1,000	2,000	1,000		
L. A. Keyes	General manager J. P. Morgan & Co.				4,000	200		
Kidder, Peabody & Co.	Brokers	2,000			5,000	2,000		
Roy Kinnear						10		
Kuhn, Loeb & Co.		5,000				5,000		
H. R. Kurrie						100		
Thos. W. Lamont, Vernon Munroe, and Wm. Thompson.	Trustees for benefit of Phillips Exeter Academy				5,000			
Thos. S. Lamont	Partner J. P. Morgan & Co.	2,500	1,500		2,000			
T. W. Lamont	do	18,000	10,000		20,000			
Lamont, Corliss & Co.				300				
A. O. Lange						10		
Lapondos Corporation		500				250		
Lee, Higginson & Co.	Bankers and brokers	2,000			5,000	3,000		
J. S. Leech						200		
R. C. Leffingwell	Partner J. P. Morgan & Co.	13,500	17,500		10,000			
Augustin Legorreta		500			500	500		
Col. Chas. A. Lindbergh		500			500	300		
A. L. Lindley	Senior partner Lindley & Co., brokers	1,000			2,000			
Harley P. Lindsay						60		
Robert O. Lord					500			
Luke Banks & Weeks					2,000			
H. G. Lloyd	Partner Drexel & Co.		11,000					
S. B. Lynd						100		
Henry E. Machold	Vice president and director F. L. Carlisle Co. and director Marine Midland Co.	2,000			2,000	3,000		
Clarence H. Mackay	Chairman of board Postal Telegraph & Cable	1,000			2,000	1,000		
H. E. Manville	Chairman and executive committee and director Johns-Manville Corporation.	1,000				1,000		
John Marshall					500			
Miss Mary Marshall					100			
Henry A. Marting	Partner, Talles, Hogsett & Ginn, attorneys for Alleghany Corporation and vice president and director Chesapeake Corporation.							
Wm. Gibbs McAdoo	Former Secretary of Treasury and United States Senator.	500			1,000	250		
Lee McCanniss	Davis, Polk, Wardwell, Gardiner & Reed	100						
H. C. McEldowney		1,000			5,000			1,500
Gates W. McGarrath	International Bank of Settlements	500						
Uzal H. McCarter					1,000	750		500
T. N. McCarter	Public Service N. J.—U. G. I.	1,000			1,000	750		500
John McHugh	Chairman executive committee Chase National Bank.			250				
D. R. McLennan		1,000		1,000				
R. B. Mellon	Bankers	2,000			5,000	3,000		1,000
C. Macveagh						25		
Mrs. L. P. Macy						500		
Mfgs. Traders Peoples Trust						1,000		
Marine Trust Co.						1,000		
Isabel S. Marsh						250		
Chas. J. Martin						1,000		
Dorothy Martin						100		
R. C. O. Matheny						100		
J. J. McCloy						50		
H. P. McCulloch						200		
T. F. Merseles	Former president Johns-Manville Corporation	2,000	35,000			1,000		
Stephen Merseles					500	100		
Albert G. Milbank	Member firm Milbank, Tweed, Polk & Webb, director Borden & Co., and Chase National Bank.	500			500	500		
C. H. Minor						1,000		
Edward G. Miner		500			500	1,000		
Minsch, Menell & Co., Inc.					1,000	1,000		
Charles E. Mitchell	Former chairman National City Bank	10,000		2,500	10,000	7,000		
S. Z. Mitchell et al	Chairman of board Electric Bond & Share, Morgan partner.	2,500			3,000			3,000

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
 "Selected list" of J. P. Morgan & Co. to whom stock was sold—Continued
 [Unit: 1 share common, 1 class A warrant, 1 class C warrant]

Sale price	Market price	Date	Name of issue and number of shares sold					
			\$20	\$47.50	\$57.50	\$32	\$75	
			\$31-\$35	\$79	\$79	\$36½-\$37 (July 6, 1929)	\$93	\$25. (27 common. 9½ class A warrant. No quote class C.)
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929.
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
W. A. Mitchell						100		
Daniel J. Moran		500				500		
Henry S. Morgan	Partner Morgan, Howland Co.	2,500	1,500		500			
Henry S. Morgan, special		4,100			1,000			
Henry S. Morgan						500		
M. Morize					100			
A. P. Morgan						100		
J. P. Morgan (No. 2 account, J. P. Morgan)		40,000	55,500		28,750	1,500		
D. M. Morgan						10		
J. P. Morgan & Co. and Bonbright & Co.							2,500	
J. P. Morgan & Co., stock account		175,100						
J. J. Morgan						100		
Morgan & Cie., Paris			10,000		20,000	12,000		
Morgan Grenfell & Co., London			15,000		20,000	15,000		
Junius S. Morgan et al.						1,200		
Junius S. Morgan, Jr.	Partner J. P. Morgan & Co.	8,000	11,000					
J. R. Morron	Chairman executive committee Chicago & Alton R. R., director Baltimore & Ohio R. R., Pullman Co., and First Securities Co.	500			1,000	500		
George K. Morrow	Chairman board Gold Dust Corporation			1,000		1,000		
F. S. Moseley & Co.	Brokers				2,000			
Frederick K. Morrow	President and director United Cigar Stores, and vice president and director Gold Dust Corporation.	1,000			1,000			
Anne S. Morrow			1,500					
Constance C. Morrow et al.			3,000					
John P. Murphy		500			500			
Dwight W. Morrow (deceased)	Former partner of J. P. Morgan & Co.		14,000			2,000		
Dwight W. Morrow, account of others.			1,100					
Dwight W. Morrow, account J. J. Morrow.			700					
Charles Munroe	Director Columbia Gas & Electric Co.					1,000		
R. B. Morris, Jr.			700				500	
Dwight W. Morrow, account J. J. Pershing.				4,000				
Elizabeth O. Morrow				1,500				
Elizabeth R. Morrow				250	300			
Vernon Munroe						400		
J. A. Murray	President Drake Business School					5,000		
National City Co.		10,000			20,000	10,000		
Newmont Mining Corporation	Albert G. Wiggin, director; Margaret T. Biddle, H. E. Dodge.	10,000						
J. R. Nutt	Vice president Alleghany Corporation	3,000						
J. D. Northrup						50		
Northern Trust Co.						1,000		
Nosivad Corporation						3,000		
Robert E. Olds		500			500	500		
John E. Oldham				500	500	200		
Old Colony Corporation					2,000	2,000		
M. O'Connor						10		
Ruth Ogg						10		
Carle Orsi		500			500			
Miss Anne O'Rourke					100			
Gen. John J. Pershing		500			500	250		
Harry Peters	Director Consolidated Co. of Chicago.					500		
Jane Taylor Price			35					
J. J. Pelley					500			
Frank L. Polk	Partner Davis, Polk, Wardwell, Gardiner & Reed	300				500		
W. J. Polk						200		
John W. Prentiss	Partner Hornblower & Weeks			500	1,000	1,000		
Bernard E. Pollak					2,000			
W. C. Potter	President and director Guaranty Trust Co., director Atchison, Topeka & Santa Fe.	40,000		2,500	10,000	7,000		
Phillips Exeter Academy						500		
T. Nelson Perkins					500			
Seward Prosser	Member executive committee and director Bankers Trust Co. of New York.	12,000		2,500	10,000	7,000		
Daniel E. Pomeroy	Chairman American Brake Shoe Co., director Bankers Trust Co.			250		250		
Mrs. Bernard E. Pollak					2,000			
W. H. Putnam							500	
William S. Rainsford		100						
John J. Raskob	Director General Motors	2,000		1,000	2,000	2,500		
Stanley Resor					1,000			
Mrs. D. Y. Ranson, Jr.						300		
Edgar Rickard						400		
J. H. Roraback						1,000	500	
G. S. Ruffner	President New York Power & Light					1,000	500	
Lansing P. Reed	Partner Davis, Polk, Wardwell, Gardiner & Reed	300				500		
Samuel W. Reyburn	President and director Lord & Taylor	500		500	1,000	500		
Arthur Reynolds	Columbia Gas & Electric				3,000			
Esther D. Rich						5		
Rose M. Ricketts						10		
W. G. Ross				1,000				
W. L. Ross		1,000						
John D. Ryan	Director Anaconda Copper Co., National City Bank.	1,000		1,000	2,000	1,000		

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
 "Selected list" of J. P. Morgan & Co. to whom stock was sold—Continued
 [Unit: 1 share common, 1 class A warrant, 1 class C warrant]

Sale price	Market price	Date	Name of issue and number of shares sold					
			\$20	\$47.50	\$57.50	\$32	\$75	
			\$31-\$35	\$79	\$79	\$36½-\$37 (July 6, 1929)	\$93	\$25. 27 common. 9½ class A warrant. No quote class C.
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
Salomon Bros. & Hutzler	Brokers				1,000	1,000		
Franz, Schneider, Jr.	Director Lehigh Valley Coal Co., Continental Oil Co.	500		250	1,000	1,000		
Schallkopf, Hutton & Pomeroy, Inc.	Investment brokers	1,000				1,500		
J. A. M. deSanchez					100			
A. H. Sanford						50		
John Sherwin, Sr.		5,000						
Mrs. Florence S. Schuette					2,000	1,000		
E. H. H. Simmons	Member firm 52 Broadway	1,000						
Alfred P. Sloan, Jr.	President General Motors Corporation	10,000		1,000	7,500			
Matthew S. Sloan		500			1,000	1,000		
Edward B. Smith & Co.	Brokers				2,000			
Vivian H. Smith		3,000						
F. S. Smithers & Co.		1,000			3,000	1,000		
Somerset Corporation		10,000			5,000			
Harold Standley	Partner J. P. Morgan & Co.	10,000			9,970			
John N. Steele					500			
Charles Steele	Partner J. P. Morgan & Co.	14,000	20,500		5,000			
R. P. Stevens	President American Electric Power Co.							7,000
Charles Steele special		1,000						
H. L. Satterlee	Vice president Life Savings Benevolent Association.					500		
B. N. Searle						1,000		
Charles Seymour						160		
Alfred P. Sloan et al						3,500		
N. L. Snow						200		
Edith T. Stanley						400		
Gilbert Stanley						1,200		
State Street Investment Corporation						2,000		
Spencer Trask & Co.					2,000	1,000		
G. D. Steere		2,000						
Stockholm E. Bank						1,000		
E. T. Stotesbury	Partner Drexel & Co.		20,500					
John A. Stephens, Jr.	President Bush Terminal Co.	500		300	500	250		
G. D. Stewart						500		
Frederick Strauss	Partner J. W. Seligman	1,000			1,000			
Gerard Swope	President General Electric Co., director National City Bank.			1,000				
Edw. R. Stettinius	Vice president General Motors					250		
Mrs. E. B. Stettinius						1,000		
Silas H. Strawn		1,000		1,000				
Sutro Bros. Co.						1,000		
Charles I. Sturgis					300			
Edwin S. S. Sunderland	Partner Davis, Polk, Wardwell, Gardiner & Reed	300				400		
Cornelius J. Sullivan	Partner Eidlitz & Hall				500	500		
Malcolm D. Simpson						25		
Harvey H. Smith						40		
A. H. Springer						25		
J. J. Sullivan						25		
Joseph B. Tarbell		500						
Myron C. Taylor	Chairman finance committee United States Steel Corporation.	10,000		5,000	10,000	5,000		
Sir Frederick Williams-Taylor				250				
Catherine Taylor						20		
Wm. H. Thurston						400		
Walter C. Teagle	President and director Standard Oil of New Jersey	1,500		1,000	2,000	1,500		
Wm. Boyce Thompson				4,000	2,500			
Eliz. S. Trippe						250		
A. A. Tilney	Bankers Trust Co., chairman of board				2,000			
Geo. H. Townsend						300		
William B. Thompson	Former president of United Gas & Improvement	1,000						
Eldridge Thomas						100		
Union Trust Co.						1,000		
Union Trust Co., Pittsburgh						3,000		
O. P. Van Sweringen	Director Alleghany Corporation	2,500			5,000	5,000		4,000
Allen Wardwell	Partner Davis, Polk, Wardwell, Gardiner & Reed	300		1,500		400		
Mrs. Marie M. Watkins					30	100		
Francis T. Ward			500		1,000			
F. Edson White		2,000						
J. duPratt White				1,000				
Robert H. White	Partner Asiel & Co.	1,000				500		
E. N. Wakelee						750		
Kenneth W. Watters					1,000			
N. A. Weathers					1,000	1,500		
J. G. White & Co.						1,000		
White & Case	Attorneys	1,000			2,000	2,000		
White, Weld & Co.	Brokers				5,000			
Margaret S. Whitney						200		
George Whitney, agent	Partner J. P. Morgan & Co.	14,000	20,500		20,000	10,000		
Martha B. Whitney						100		
Richard Whitney	President New York Stock Exchange	1,000			5,750			
Trustees for Martha B. Whitney:						400		
Robert L. Bacon, Gaspar G. Bacon, and Geo. Whitney.								
Richard Whitney & Co.						6,300		
E. L. West								2,000
J. L. Wilkie								1,000

COMMITTEE EXHIBIT No. 51, JUNE 9, 1933—Continued
 "Selected list" of J. P. Morgan & Co. to whom stock was sold—Continued
 [Unit: 1 share common, 1 class A warrant, 1 class C warrant]

Sale price	Market price	Date	Name of issue and number of shares sold					
			\$20	\$47.50	\$57.50	\$32	\$75	
			\$31-\$35	\$79	\$79	\$36¼-\$37 (July 6, 1929)	\$93	\$25. 27 common. 9¼ class A warrant. [No quote class C.]
			Feb. 15, 1929	July 1, 1927	July 1, 1927	June 24, 1929	Jan. 21, 1929	Aug. 19, 1929
Name	Title, directorships, etc.	Alleghany	Johns-Manville	Johns-Manville	Standard Brands	United Corporation units	Niagara Hudson units	
C. F. Whigham	Former chairman Chase National Bank	3,000						
A. H. Wiggin		10,000		2,000	8,500	4,000		
Ira E. Wight	President and director Standard Brands, Inc., Royal Baking Powder Co.	500			1,000	1,000		
Joseph Wilshire		1,000			50,000	1,000		
T. R. Williams						300		
Garrard B. Winston	Director National City Bank and Oliver Farm Equipment Co.			800	500	500		
Wood Struthers & Co.	Brokers	1,000			2,000	1,500		
Daniel G. Wing					2,000			
Winslow Lanier & Co.	Brokers				1,000			
Wm. H. Woodin	Secretary of Treasury	1,000		1,000	1,000	1,000		
Arthur Woods					500	250		
Wood Low & Co.						1,000		
Clarence M. Woolley	Chairman of board American Radiator & Stand- ard Sanitary Co.	1,000		1,000	2,000	1,000		
Mrs. Noramae Wylie					200			
A. H. Wigren, G. Jordan, and L. A. Keyes, as trustees for benefit Andover Academy.					5,000			
F. C. Weems						100		
P. M. Trace						10		
Miss Anna Walsh						10		
Cornelius J. Walsh						10		
Hartland West						10		
A. H. Wilson						25		
Owen D. Young	Chairman of board General Electric Co.	5,000		1,000				6,000
John M. Young					100	50		
Percy S. Young						750		
L. Edmund Zacher		500			500	500		
Wm. Ziegler, Jr.	Director Standard Brands	200				200		
Total		1,250,000	343,450	56,550	722,600	600,000		50,500

NOTE.—See supplementary list following, redistribution of Alleghany Corporation stock by Drexel & Co.

Mr. GUFFEY. Mr. President, would it not be a good idea to include likewise the list of officials of the Supreme Court and officials of the Superior Court of Pennsylvania who were on that list?

Mr. TRUMAN. I shall be glad to do that. Drexel & Co., Morgan's Philadelphia representatives, had a number of Pennsylvania public officials on their preferred list. I ask that the names of those gentlemen be placed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

Thomas J. Baldridge, John W. Kephart, William I. Schaffer, Robert Von Moschisker.

Mr. TRUMAN. Some of the so-called investment bankers had a gratuity list. This consisted of high rail officials. One in particular was E. N. Brown, chairman of the board of the Frisco, to whom I referred in my previous address on this subject. Speyer & Co. paid him a gratuity of \$100,000 per year, and the poor old Frisco paid him as chairman of the board to help Speyer & Co. loot it. I informed the Senate some time back about this situation. The gratuity list has just recently come to light in a court proceeding in St. Louis.

Mr. MINTON. Mr. President, will the Senator from Missouri yield at that point?

Mr. TRUMAN. I yield.

Mr. MINTON. I do not exactly understand what the Senator means by "gratuity list." Would he mind explaining what is meant by "gratuity list"?

Mr. TRUMAN. I cannot explain the gratuity list except to say that the bankers paid the chairman of the board what they called a gratuity. They had other parties on the gratuity list. They claimed the chairman was not on their share list or on their special list which bought stocks below the market price, but he was on their gratuity list.

Mr. MINTON. On the bankers' gratuity list?

Mr. TRUMAN. On Speyer & Co.'s gratuity list.

Mr. MINTON. Was that a payment to them by the bankers for which they rendered no service?

Mr. TRUMAN. None has been disclosed thus far, except that it was to help the bankers with their operations involving the railroads with which these men happened to be connected.

Mr. MINTON. Were they always railroad men who were on the gratuity list?

Mr. TRUMAN. Apparently. That is what has been disclosed in the St. Louis court proceeding. That is only so far as the Frisco system is involved.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. TRUMAN. I yield.

Mr. BORAH. I still do not understand exactly who is paying the gratuity.

Mr. TRUMAN. Speyer & Co. paid it to E. N. Brown.

Mr. BORAH. Are they the only ones involved?

Mr. TRUMAN. They are the only ones that have been disclosed thus far.

Mr. BORAH. What is the gratuity supposed to be for?

Mr. TRUMAN. E. N. Brown, chairman of the board, helped Speyer & Co. buy 287,000 shares of Rock Island stock for the Frisco Railroad. The price started from \$15 and rose until it finally went up to \$160. Speyer & Co. were supposed to hold one-third of that stock but sold their part of the stock at the highest price, and the Frisco still own their part of the stock which they bought. That cost the Frisco Railroad some \$20,000,000.

The court and lawyer situation in these gigantic receiverships and reorganizations needs public attention badly. We have the spectacle of the firm of Cravath, DeGersdorff, Swaine & Wood arranging the first receivership of the

St. Paul and then 10 years later getting into the pending bankruptcy.

Mr. BORAH. This is all a kind of a cog in the general scheme of racketeering.

Mr. TRUMAN. That is true. It all fits in together. That is the reason why I called attention to it.

To proceed, these gentlemen to whom I have referred as attorneys—Cravath, De Gersdorff, Swaine & Wood—are attorneys for Kuhn, Loeb & Co., and have their hands in the following receiverships: The St. Louis & San Francisco, the Western Pacific, the Missouri Pacific, the Spokane International, the Central of Georgia, the Chicago & North Western, the Seaboard Air Line, and the Minneapolis & St. Louis. Davis, Polk, Wardwell, Gardner & Reed represented the trustee, Guaranty Trust Co., and other interests in the St. Paul receivership, and are attorneys for J. P. Morgan & Co. These gentlemen are mixed up in the following receiverships: The Central of Georgia; the Chicago & Eastern Illinois; the Chicago, Indianapolis & Louisville; the Chicago, Milwaukee, St. Paul & Pacific; the Chicago & North Western; the Chicago, Rock Island & Pacific; the Minneapolis & St. Louis; the New York, New Haven & Hartford; the Norfolk & Southern; the St. Louis & San Francisco; and the Seaboard Air Line.

Cravath, De Gersdorff, Swaine & Wood had their Chicago lawyers come to New York when the St. Paul's first receivership was about to happen in 1925; and it was arranged with Mr. Shaw, of Winston, Strawn & Shaw—this is Mr. Silas Strawn, past president of the National Chamber of Commerce, and a great uplifter—to have Judge Wilkerson, the most notorious receivership judge on the Federal bench, take charge of the St. Paul bankruptcy and appoint receivers and the attorneys for the receivers. All these arrangements were secretly fixed up, and Mr. Shaw claims this was done to keep out the sharpshooters. Anyway, the St. Paul got three receivers, two at \$4,000 per month and one at \$75,000 per year, and each of the three received \$100,000 bonus at the end of the receivership—\$300,000 of bonus money, plus bonuses to a great many others on the receivership staff.

Mr. BORAH. Mr. President, who paid this bonus of \$100,000?

Mr. TRUMAN. It was ordered paid out of the fee expense of the Chicago, Milwaukee & St. Paul Railway by Judge Wilkerson.

Mr. BORAH. Was that agreed to by the attorneys?

Mr. TRUMAN. Apparently it was; but wait until I get through. They all fitted in and got part of it, and I shall put the whole fee list of the St. Paul Railroad in the RECORD when I get through.

Winston, Strawn & Shaw became attorneys for the receivers and received \$247,000 out of it, and Judge Wilkerson had a Milwaukee & St. Paul private car at his beck and call in which to take his pleasure. The receivers also had a grand time in this respect. One or more of them even took their families and their friends on long jaunts in the poor old busted St. Paul's private cars to San Diego, to New York, to Florida, and on trips extended on free passes to Alaska.

Davis, Polk, Wardwell, Gardner & Reed hired Judge Wilkerson's former law associate in Illinois to represent them as attorneys for the mortgage trustees, and the judge gave them \$250,000 as fees, as well as giving their client, Guaranty Trust Co., \$125,000, and giving the individual trustee, who was the trust officer of the Guaranty, a fee of \$25,000. That is, the trust officer of the Guaranty Trust Co. acted for the Guaranty Trust Co. and also acted as an individual trustee, which is required in some States through which the St. Paul Railroad ran; and they not only gave the Guaranty Trust Co. a fee of \$125,000 for acting as corporate trustee but they gave \$25,000 to the trust officer of the Guaranty Trust Co. as a private trustee.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield to the Senator from Kentucky.

Mr. LOGAN. I should like to ask the Senator if these hearings have been open to the public.

Mr. TRUMAN. They have been open to the public, and everybody has been there.

Mr. LOGAN. I have not seen anything about these statements in the newspapers or the press generally.

Mr. TRUMAN. I am sorry. The Senator certainly has not been reading the newspapers, because this matter has been in every New York paper, in the Chicago newspapers, the Philadelphia newspapers, the Kansas City papers, and others. I do not believe it was in the Louisville newspapers.

Mr. LOGAN. I have seen some reference to it, but I have not seen the details.

Mr. TRUMAN. All these things have come out in the newspapers.

Mr. LOGAN. They have already been published?

Mr. TRUMAN. They have already been published. I am just informing the Senate about them because I thought perhaps there might be some Senators who had not kept up with the hearings of the committee.

Mr. BORAH. Mr. President, may I ask the Senator the date of the transactions to which he refers?

Mr. TRUMAN. The transactions to which I refer took place from 1925 to 1927, but the St. Paul Railroad is in receivership again in the same court, and I think it is necessary that we know what went on.

Mr. MINTON. With same lawyers and the same trustees?

Mr. TRUMAN. The same lawyers and the same trustees, and everything else just the same, except the receivers themselves, who are different persons.

Mr. SHIPSTEAD. Mr. President, will the Senator inform the Senate what the Milwaukee Road has borrowed from the Reconstruction Finance Corporation?

Mr. TRUMAN. I think they now owe the Reconstruction Finance Corporation \$8,000,000. I think that is correct. If it is not, I will give the correct amount in the RECORD. I do not remember the exact figures, because they have at different times borrowed different sums, I think at one time as much as \$11,000,000.

The judge gave his former law associate \$75,000. Now, the St. Paul is only one receivership of some dozen or two. Do you see how it pays to know all about these things from the inside? How these gentlemen, the highest of the high-hat in the legal profession, resort to tricks that would make an ambulance chaser in a coroner's court blush with shame? The same gentlemen, if the past is any guide to the future, will come out of the pending receiverships with more and fatter fees, and wind up by becoming attorneys for the new and reorganized railroad companies at fat yearly retainers; and they will probably earn them, because it will be their business to get by the Interstate Commerce Commission, to interpret, and to see that the courts interpret, laws passed by the Congress as they want them construed.

At this point I should like to insert in the RECORD the complete fee list of the 1925 St. Paul receivership.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

[Chicago, Milwaukee & St. Paul, 1925-28]

Receivership and reorganization expenses (not including salaries and expenses of officers and counsel of road on receivership staff)

Receivers, staff and counsel.....	\$998,022.65
Counsel for plaintiff (Binkley Coal Co.).....	34,701.88
Trustees under mortgages including counsel:	
Guaranty Trust Co.....	510,313.78
United States Trust Co.....	161,676.45
Farmers Loan & Trust Co.....	58,334.56
Bankers Trust Co.....	66,988.84
United States Mortgage & Trust Co.....	106,296.74
Special master.....	123,031.78
Special examiner.....	4,000.00
Counsel for defendant.....	2,786.68
Miscellaneous.....	18,674.94
Reorganization managers.....	1,538,983.88
Bondholders' protective committee.....	915,798.44
Preferred-stock holders' protective committee.....	234,614.91
Common-stock holders' protective committee.....	193,457.15
Roosevelt committee.....	156,159.83
Coverdale & Colpitts.....	107,165.52
Iselin committee.....	92,316.41

Receivership and reorganization expenses (not including salaries and expenses of officers and counsel of road on receivership staff)—Continued

Cadwalader, Wickersham & Taft.....	\$5,217.61
Registrars.....	41,072.56
National City Co. (assignment of client).....	3,000.00
R. J. Marony.....	5,000.00
Miscellaneous expenses.....	695.33
Taxes, fees, printing—new company.....	1,192,823.34
Trustees—new mortgages.....	180,437.80
Suit enjoining Interstate Commerce Commission.....	59,288.00
Voting trust fees and expenses.....	72,000.00
Coverdale & Colpitts (1925 report).....	72,000.00
Total.....	6,954,859.18

[St. Paul receivership, 1925-28]

Schedule of fees and expenses

A. RECEIVERSHIP STAFF

Receivers:	
Mark W. Potter, \$4,000 per month and \$100,000 bonus.....	\$237,806.45
E. J. Brundage, \$4,000 per month and \$100,000 bonus.....	237,806.45
H. E. Byram, Mr. Byram received a salary of \$75,000 per year and \$100,000 bonus, totaling about.....	305,000.00
Counsel:	
Winston, Strawn & Shaw (Illinois).....	247,000.00
Hornblower, Miller & Garrison (New York).....	70,000.00
Winthrop, Kellogg (New York).....	2,000.00
George Miller (Chicago).....	3,500.00
O. W. Dynes (in addition to salary).....	20,000.00
H. H. Field (in addition to salary).....	20,000.00
W. L. Hunter (in addition to salary).....	1,500.00
Chief accounting and financial officer, W. W. K. Sparrow (in addition to salary).....	35,000.00
Expenses:	
Mark W. Potter.....	18,295.31
E. J. Brundage.....	1,565.10
Winthrop, Kellogg.....	201.22
Winston, Strawn & Shaw.....	3,348.12
Total.....	998,022.65

B. CREDITOR SUIT

Counsel for plaintiff:	
Elting & Judson (Illinois).....	15,000.00
Knappen, Uhl & Bryant (Michigan).....	2,500.00
Briggs, Weyl & Briggs (Minnesota).....	5,000.00
Hurd, Rhoades, Hall & McCabe (Montana).....	10,000.00
Wickes & Neilson (New York).....	2,000.00
Expenses:	
Elting & Judson.....	174.83
Knappen, Uhl & Bryant.....	27.05
Total.....	34,701.88

C. TRUSTEES UNDER FIRST MORTGAGE C., M. & ST. P. RY. CO.

Trustee: United States Trust Co.....	50,000.00
Counsel:	
Stewart & Shearer (New York).....	75,000.00
Wilson, McIlvaine, Hale & Templeton (Illinois).....	12,000.00
F. G. Ingersol (Minnesota).....	5,000.00
Templeman & Sanner (Montana).....	10,000.00
Expenses: United States Trust Co.....	9,676.45
Total.....	161,676.45

D. TRUSTEES UNDER GENERAL AND REFUNDING MORTGAGE

Trustees:	
Guaranty Trust Co.....	125,000.00
Merrel P. Callaway.....	25,000.00
Counsel:	
Davis, Polk, Wardwell, Gardiner & Reed (New York).....	250,000.00
Tenney, Harding, Sherman & Rogers (Illinois).....	75,000.00
Travis, Merrick, Warner & Johnson (Michigan).....	2,500.00
Davis, Severance & Morgan (Minnesota).....	5,000.00
Stewart & Brown.....	10,000.00
Expenses: Merrel P. Callaway.....	17,813.78
Total.....	510,313.78

E. TRUSTEE UNDER INDENTURE DATED JULY 1, 1909

Trustee: Farmers Loan & Trust Co.....	16,600.00
Counsel: Taylor, Blanc, Capron & Marsh (New York); Burry, Johnson & Peters (Illinois).....	40,000.00
Expenses: Farmers Loan & Trust Co.....	1,734.56
Total.....	58,334.56

Schedule of fees and expenses—Continued

F. TRUSTEE UNDER 1912 INDENTURE

Trustee: Bankers Trust Co.....	\$25,000.00
Counsel: White & Case (New York) and Follansbee, Shorey & Schupp (Illinois).....	40,000.00
Expenses.....	1,988.84
Total.....	66,988.84

G. TRUSTEES UNDER INDENTURES DATED JUNE 1, 1910, AND DECEMBER 1, 1915

Trustees:	
United States Mortgage & Trust Co.....	30,000.00
William Nelson Cromwell.....	15,000.00
Counsel:	
To United States Trust Co., Patterson, Eagle, Greenbough & Day (New York) and Scott, Bancroft, Martin & MacLeish (Illinois).....	42,500.00
To W. N. Cromwell and Sullivan & Cromwell.....	15,000.00
Expenses: United States Mortgage & Trust Co.....	3,037.40
	759.34
Total.....	106,296.74

H. MISCELLANEOUS

Counsel for defendant:	
Cooper, Stevenson & Hoover (Montana).....	2,500.00
Sophus Johnson (Michigan).....	250.00
Expenses: Cooper, Stevenson & Hoover.....	36.88
Special examiner in foreclosure: Maurice Hadley.....	4,000.00
Special master: Herbert A. Lundahl.....	123,031.78
Printing receivership record.....	18,668.80
Miscellaneous.....	6.13

[St. Paul reorganization, 1925-28]

Schedule of fees and expenses

REORGANIZATION MANAGERS

Reorganization managers:	
Kuhn, Loeb & Co.....	\$622,790.33
National City.....	415,193.55
Total.....	1,037,983.88

Counsel:	
Cravath, deGersdorff, Swaine & Wood.....	500,000.00
Senborn, Blake & Abers (Wisconsin).....	1,000.00
Total.....	501,000.00
Total.....	1,538,983.88

BONDHOLDERS' PROTECTIVE COMMITTEE

Committee members:	
Ecker, Frederick H., chairman.....	50,000.00
Cutler, Bertram.....	15,000.00
Duffield, Edward D.....	15,000.00
Fisher, Samuel H.....	15,000.00
Knox, William E.....	12,500.00
Peabody, Charles A.....	15,000.00
Whitcomb, N. F.....	15,000.00
Secretary: Freund, Sanford H. E.....	25,000.00
Counsel: Shearman & Sterling.....	175,000.00
Depositories:	
Bankers Trust.....	105,000.39
Guaranty Trust Co.....	139,629.07
City Bank Farmers Trust Co.....	55,557.99
United States Trust Co.....	44,022.17
Chemical Bank & Trust Co.....	102,320.33
Chase National Bank.....	46,748.15
Subdepositories:	
Union Trust Co. of Pittsburgh.....	2,997.90
Minnesota Loan & Trust Co.....	323.02
Girard Trust Co.....	7,211.82
First National Bank of St. Paul.....	325.28
Continental Illinois Bank & Trust Co.....	5,317.89
National Shawmut Bank.....	30,043.13
Marine National Exchange Bank.....	3,431.56
Foreign representatives:	
Blake Bros. (Dutch administrator).....	7,500.00
Lionel Hauser & Co. (French correspondent).....	15,000.00
Association National DePorteuse France.....	1,988.17
Expenses:	
Ecker, Frederick H.....	411.11
Committee.....	10,357.39
Shearman & Sterling.....	113.17
Total.....	915,798.54

PREFERRED-STOCK HOLDERS' PROTECTIVE COMMITTEE

Committee members:	
Buckner, Mortimer N., chairman.....	25,000.00
Fuller, Oliver C.....	10,000.00
Pratt, Harold I.....	10,000.00
Loasby, Arthur W.....	10,000.00
McHugh, John.....	10,000.00

Schedule of fees and expenses—Continued

PREFERRED-STOCK HOLDERS' PROTECTIVE COMMITTEE—continued

Secretary: Curtis, Boyd G.	\$10,000.00
Counsel: Murray, Aldrich & Webb	80,000.00
Depositories: New York Trust Co.	67,527.25
Subdepositories:	
First Seattle Dexter Horton National Bank	1,000.00
Northwestern & Northern	1,000.00
First National Bank, St. Paul	1,000.00
First National Bank, Boston	2,080.33
Federal Philadelphia Trust Co.	1,133.61
First National, Pittsburgh	1,175.00
Continental Illinois Bank & Trust Co.	1,705.95
First Wisconsin Trust Co.	1,071.25
First Seattle Dexter Horton	821.25
Expenses:	
Murray, Aldrich & Webb	849.23
Oliver Fuller	251.34
Total	234,614.91

COMMON-STOCK HOLDERS' PROTECTIVE COMMITTEE

Committee members:	
Geddes, Donald G.	10,000.00
Field, Stanley	10,000.00
Johnson, Walter L.	10,000.00
Rockefeller, Percy A.	10,000.00
Dominick, Bayard	10,000.00
Davison, George W.	10,000.00
Secretary: Sigler, C. E.	10,000.00
Counsel: Cotton & Franklin	50,000.00
Depository: Central Hanover Bank & Trust Co.	52,926.65
Subdepositories:	
First Trust Co. of St. Paul	1,000.00
First Union Trust & Savings Bank, Chicago	2,871.06
First Minneapolis Trust Co.	1,082.00
First Wisconsin National Bank	1,198.99
National Bank of Commerce, Seattle	1,087.82
Old Colony Trust Co., Boston	1,919.69
Bank of Pittsburgh	1,099.98
Pennsylvania Co. for Insurance, etc.	1,828.80
Expenses: Committee	8,442.16
Total	193,457.15

MISCELLANEOUS

Roosevelt committee:	
Root, Clark, Buckner & Ballantine	\$75,000.00
Expenses	81,159.83
Total	156,159.83
Iselin committee:	
Osborne, Fleming & Whittlesey, Rosenthal, Hornell & Wormser	\$75,000.00
Expenses	17,316.41
Total	92,316.41
Assignment of claims: National City Bank	3,000.00
Registrars:	
Guaranty Trust Co.	\$13,318.43
Chase National Bank	18,879.38
Irving Trust Co.	6,480.65
Chatham Phenix National Bank	4,394.10
Total	41,072.56
Coverdale & Colpitts:	
Fee	\$100,000.00
Expenses	7,165.52
Total	107,165.52
Robert J. Maroney	5,000.00
Miscellaneous expenses	695.33
Massachusetts Savings Bank Association:	
Cadwalader, Wickersham & Taft	\$5,000.00
Expenses	217.61
Total	5,217.61

Counsel fees

REORGANIZATIONS

Reorganization managers:	
Cravath, deGersdorff, Swaine & Wood	500,000.00
Sanborn, Blake & Aberg (Wisconsin)	1,000.00
Common-stock holders, Cotton & Franklin	50,000.00
Preferred stock, Murray, Aldridge & Webb (New York)	80,000.00
Bondholders' committee:	
Shearman & Sterling	175,000.00
Cadwalader, Wickersham & Taft	5,000.00
Iselin committee:	
Osborn, Fleming & Whittlesey	75,000.00
Rosenthal, Hamill & Wormser	

Counsel fees—Continued

REORGANIZATIONS—continued

Roosevelt committee: Root, Clark, Buckner & Ballantine	\$75,000.00
I. C. C. suit:	
Davis, Polk, Wardwell, Gardiner & Reed	30,000.00
Hughes, Schurman & Dwight	25,000.00
Total	1,016,000.00

RECEIVERSHIP

Receivers:	
Winston-Strawn & Shaw (Illinois)	247,000.00
Hornblower, Miller & Garrison	70,000.00
Field, H. H.	20,000.00
Dynes, O. W.	20,000.00
Miller, George	3,500.00
Winthrop & Kellogg	2,000.00
Hunter, W. L.	1,500.00
Total	364,000.00

Plaintiff:

Elting & Judson	15,000.00
Knappen, Uhl & Bryant	2,500.00
Briggs, Weyl & Briggs (Minnesota)	5,000.00
Hurd, Rhoades, Hall & McCabe (Montana)	10,000.00
Wickes & Neilson	2,000.00
Total	34,500.00

Guaranty Trust Co.:

Davis, Polk, Wardwell, Gardiner & Reed	250,000.00
H. S. Tenney, Harding, Shearman & Roers (Chicago)	75,000.00
Travis, Merrick, Warner & Johnson (Michigan)	2,500.00
Davis, Severance & Morgan (Minnesota)	5,000.00
Stewart & Brown (Montana)	10,000.00
Total	342,500.00

United States Trust Co.:

Stewart & Scherer (New York)	75,000.00
Wilson, McIlvaine, Hale & Templeton (Chicago)	12,000.00
F. B. Ingersoll (Minnesota)	5,000.00
Templeman & Sanner (Montana)	10,000.00
Total	102,000.00

Farmers Loan & Trust Co.:

Taylor, Blanc, Capron & Marsh (New York)	40,000.00
Burry, Johnston & Putnam (Illinois)	

Bankers Trust Co.:

White & Case (New York)	40,000.00
Follansbee, Storey & Schupp (Illinois)	

United States Mortgage & Trust Co.:

Patterson, Eagle, Greenboro & Day (New York)	42,500.00
Scott, Bancroft, Martin & MacLeish (Illinois)	
William Cromwell: Sullivan & Cromwell	15,000.00

Defendant, C. M. & St. P.:

Cooper, Stevenson & Hoover (Montana)	2,500.00
C. S. Johnson (Michigan)	250.00

Grand total 1,997,592.44

[Copy of original handwritten letter from Cravath, deGersdorff, Swaine & Wood, file No. 2799, drawer 18, C., M., St. P. & P. R. R. v. United States of America, October 1928, vol. I, correspondence, from October 1928 to December 31, 1929]

SILAS H. STRAWN,

FIRST NATIONAL BANK BUILDING,

Chicago.

DEAR SWAINE: I am led to believe there will be a decision in the St. Paul case within a very few days.

I want you to know I have not forgotten that you are desirous of getting to a conclusion as early as possible and have had several interviews with Judge W.

Cordially yours,

SILAS H. STRAWN.

JUNE 14, 1929.

[Copy of carbon copy of letter from Cravath, deGersdorff, Swaine & Wood, file No. 2799, drawer 18, C., M., St. P. & P. R. R. Co. v. United States of America, October 1928, vol. I, correspondence, from October 1928 to December 31, 1929]

DECEMBER 8, 1928.

St. Paul v. U. S. A.

DEAR JUDGE:

My recollection is that either you or Mr. Shaw advised that the court would probably consist of Judges Altschuler, Wilkerson, and Carpenter. My recollection is clear as to the first two but not as to the last. If you have not been advised as to the probable composition of the court, Mr. Shaw can probably

inform you. If the date suggested would interfere with the presence of Judge Altschuler or a satisfactory court, and we could get a more satisfactory court by having it earlier in the month, then I suppose it would be desirable to try and fit other engagements into such a situation . . .

Yours very truly,

F. H. W.

Hon. H. H. FIELD,
Union Station Building, Chicago, Ill.

Mr. BORAH. Mr. President, how many of the railroad systems of which the Senator is speaking are now applicants for an increase of freight rates of 15 percent?

Mr. TRUMAN. All of them are, and I do not think it will remedy their situation one mite.

Mr. NORRIS. Mr. President, does not the Senator think that if we are to continue to have this glorious thing go on forever, it is necessary to increase the rates? How can these great attorneys expect to be paid these luxurious fees unless the poor people are willing to pay higher rates?

Mr. TRUMAN. It cannot be done.

Mr. NORRIS. Therefore, we must increase the rates.

Mr. SCHWELLENBACH. Mr. President, I should like to ask the Senator if he or the committee have given any study to the relationship between these regular excessive receivership costs and the need which the railroad companies now present for an increase in freight rates?

Mr. TRUMAN. We have, and the record speaks for itself. The Missouri Pacific was in receivership in 1917. The Missouri Pacific is back in receivership. The St. Paul is in receivership. It was in receivership in 1925, and in 1935 it was back in receivership. That is true of some 75,000 miles of railroad in the country.

These able and intelligent lawyers, counselors, attorneys, or whatever you want to call them, have interviews and hold conferences with the members of the Interstate Commerce Commission, take them to dinner, and discuss pending matters with them.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. MINTON. Does the record show what Commissioners were so wined and dined by the reorganization lawyers?

Mr. TRUMAN. Yes; it does. The Commission, you know, is the representative of the public, and it has its lawyers also; but the ordinary Government mine-run bureaucratic lawyer is no more a match for the amiable gentlemen who represent the great railroads, insurance companies, and Wall Street bankers, than the ordinary lamb is a match for a butcher.

Mr. Dick, a director of the St. Paul and financial adviser to the American Association of Railroads, the great lobby maintained here by the railroads, said he could see no harm in his having private conferences with members of the Commission on pending matters. Mr. Gresham, attorney for the Texas & Pacific, and Mr. Shaw, of Winston, Strawn & Shaw, attorneys for the receivers in the first St. Paul receivership, obtained information and gave advice to members of the Commission or the court on pending matters in private. In my opinion the practice is wrong, and ought to stop.

One of the difficulties, as I see it, is that we worship money instead of honor. A billionaire, in our estimation, is much greater in these days in the eyes of the people than the public servant who works for the public interest. It makes no difference if the billionaire rode to wealth on the sweat of little children and the blood of underpaid labor. No one ever considered Carnegie libraries steeped in the blood of the Homestead steel workers, but they are. We do not remember that the Rockefeller Foundation is founded on the dead miners of the Colorado Fuel & Iron Co. and a dozen other similar performances. We worship mammon; and until we go back to ancient fundamentals and return to the Giver of the Tables of the Law and His teachings, these conditions are going to remain with us.

It is a pity that Wall Street, with its ability to control all the wealth of the Nation and to hire the best law brains in the country, has not produced some financial statesmen,

some men who could see the dangers of bigness and of the concentration of the control of wealth. Instead of working to meet the situation, they are still employing the best law brains to serve greed and selfish interest. People can stand only so much, and one of these days there will be a settlement. We shall have one receivership too many, and one unnecessary depression out of which we will not come with the power still in the same old hands.

I believe the country would be better off if we did not have 60 percent of the assets of all the insurance companies concentrated in four companies. I believe that a thousand insurance companies, with \$4,000,000 each in assets, would be just a thousand times better for the country than the Metropolitan Life, with \$4,000,000,000 in assets. The average human brain is not built to deal with such astronomical figures. I also say that a thousand county-seat towns of 7,000 people each are a thousand times more important to this Republic than one city of 7,000,000 people. Our unemployment and our unrest are the result of the concentration of wealth, the concentration of population in industrial centers, mass production, and a lot of other so-called modern improvements. We are building a Tower of Babel.

Seventy-five thousand miles of railroads are in bankruptcy, representing \$5,000,000,000 or more in book assets. The insurance companies have \$500,000,000 of your savings and mine invested in the assets of these bankrupt railroads. They have \$3,000,000,000 altogether invested in railroad securities.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TRUMAN. Surely.

Mr. WHEELER. While we are talking of the increase of railroad rates, I think it well to point out to the Senate the evidence which came out before the Interstate Commerce Committee this morning and a couple of days ago showing that the boards of directors of certain railroads passed resolutions turning over to the presidents of the companies the right to use the companies' credit and the companies' money for investment in whatever securities they wanted to invest in. The statement shows that in the case of both the Wabash and the Delaware & Hudson the companies' presidents purchased stocks through Kuhn, Loeb & Co. and through one other company, Barney & Co., of which Mr. Hanes, who has been sent down here to be on the Securities and Exchange Commission, was a member, and all the time they were purchasing the stocks they kept the matter an entire secret from their stockholders and from the Interstate Commerce Commission, and made false returns to their stockholders, to the Interstate Commerce Commission, and to the New York Stock Exchange, as well as to the general public.

Fortunately for the Delaware & Hudson, they unloaded the stock which they bought in the Lehigh Valley road and the Pennsylvania Co. and made \$20,000,000. But in the matter of the stock bought by Mr. Williams, the Wabash took a loss of \$20,000,000.

Mr. TRUMAN. Just the same as in the Frisco and the Rock Island deals, almost identically the same.

Mr. WHEELER. Yes; the same as in the Frisco and Rock Island deals. There is talk of a desire to help the railroads, to do something for them. I think everyone wants to help the railroads, because the Government and the people of the United States need them. We would need them in case of war as a measure of defense, and the general public needs the railroads for transportation of goods. But something will have to be done to stop the insiders and the other people manipulating the stocks as they have been doing. If any Member of the Senate had done what Mr. Williams did in connection with the Wabash, and what was done in the Delaware & Hudson matter, and what was done in the case of some of the other railroads, he would find himself behind the bars.

Mr. TRUMAN. Do not forget E. N. Brown, of the Frisco. He did a worse job than any of them.

Mr. WHEELER. There would be no question, anyone of us would be behind the bars if he had done these things.

As I have said, while we desire to help the railroads, it is likewise the duty of those who have had control of the roads, the presidents and the executive boards, to be honest with the general public. Up to the present time, the Interstate Commerce Commission has not had the power to control some of these activities. I am inclined to believe that we must grant the Interstate Commerce Commission the power to start the purchase of some of the stock in these other railroads.

They have used this excuse. Senator Cummins introduced a bill for the consolidation of the railroads, feeling that it was necessary to consolidate many of the roads in order to make savings for the roads themselves. When that was proposed, I think in 1922, Mr. Loree, of the Delaware & Hudson, and representatives of the Pennsylvania, the Wabash, and various others of these groups, went out grabbing here and there and purchasing the stocks upon the stock market at high prices. That was one of the things which boosted the stocks upon the stock market during that period, and caused the boom, and afterwards the deflation. The committee has brought out what is really a shocking condition, a very depressing situation to anyone who has heard the testimony and looked into the matter at all.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Montana whether the Interstate Commerce Commission has had any knowledge at all of the facts which have been related by the Senator from Missouri.

Mr. WHEELER. Much of it was concealed from the Interstate Commerce Commission until after it was an accomplished fact, and then, after it was an accomplished fact and after the purchases had been made and the roads had gone in debt, they had to approve a bond issue, and the bond issues were sold through savings banks and insurance companies.

Finally, in the case of the Wabash, the Reconstruction Finance Corporation had to come to their rescue. So we find the Reconstruction Finance Corporation as a matter of fact bailing out the bankers who had loaned the money to these railroad companies to make these purchases. My judgment is that the Reconstruction Finance Corporation will lose some of that money.

Mr. TRUMAN. I thank the Senator from Montana for his contribution.

Railroads are absolutely essential to the welfare of the country. We must have them, for they are our most economical means of transportation today. I am not in favor of the Government taking them over. Wall Street seems to have failed in its management. Wall Street says the condition is the result of the depression, of paying rail labor too much, of Government regulation.

If Government regulation and the depression brought about the present condition of the railroads, then Wall Street brought about both Government regulation and the depression. If Wall Street had produced the necessary statesmen to run the railroads, they would never have needed regulation. If Wall Street had dealt properly with the Commission, and the Commission had cut out the private conferences with Wall Street lawyers and bankers, and not let them argue their cases in private, we might have had some sort of effective financial regulation of the railroads.

Mr. LOGAN. Mr. President, the Senator from Missouri has referred to the law of Moses, the great lawgiver, which does not seem to affect these railroad financiers.

I call the Senator's attention to a statement made by that great prophet, poet, statesman, and philosopher, Isaiah, which statement voices very well the cry of the common people of today, when he said:

So we are far from having our wrongs righted, we come by no redress; we look for light but all is dark, we look for gleams, and walk in gloom; we grope like a blind man along the wall, we feel our way like sightless men; at noon we stumble as in twilight, we live in darkness like the dead.

Again, the same Isaiah voiced what should be the will of the Congress, when he said:

If you will do away with all oppression with open scorn and words of malice, if you bestow bread upon the hungry and relieve men in misery, then light shall dawn for you in darkness, your

dull hour shall be bright as noon and evermore shall the Eternal guide you, guarding you without fail.

I wonder if the cry voiced by Isaiah may be applicable to the cry of the people against the present evils. It is not easy to find them, but we do find them, and after we find them out we ought to find some remedy for them, it seems to me.

Mr. TRUMAN. I think we will. I thank the Senator.

Mr. President, wild greed along the lines I have been describing brought on the depression. When investment bankers, so-called, continually load great transportation companies with debt in order to sell securities to savings banks and insurance companies so they can make a commission, the well finally runs dry. The transportation companies can stand no more debt, and the "kitty" gets all the money—the "kitty" being the bankers and their legal advisers.

The Senator from North Carolina [Mr. BAILEY] defined the meaning of "kitty" on December 13, 1937, on this floor. It means the same thing in Wall Street. When the game is cut too deeply, the manager of the "kitty" has all the money and the game stops. Investment bankers have cut the railroads too deeply.

This situation deserves the closest thought and consideration of Members of the Senate, because one of the witnesses before our committee stated that the only hope of the railroads is right here. I hope we can find the solution. I think it will require a major operation, and the sooner we face it the better it will be for the country and the railroads. I do not think we can solve the problem by pouring more Government money into broken-down financial structures or by merely tinkering with rates. The whole structure must be overhauled. Rates, finances, management, coordination, consolidation must be studied. The problem can be solved, but not through the kind of panacea Wall Street has put forward in the past—panaceas that are basically and fundamentally unsound, which have been proved in experience to be unsound, and which simply serve the interest of Wall Street at the expense of the public interest. There is no magic solution to the condition of the railroads, but one thing is certain—no formula, however scientific, will work without men of proper character responsible for physical and financial operations of the roads and for the administration of the laws provided by Congress.

Mr. SHIPSTEAD. Mr. President, will the Senator from Missouri yield?

Mr. TRUMAN. I yield.

Mr. SHIPSTEAD. The Senator has done a very fine piece of work. Can he give us an idea as to how many of the railroads of the country are controlled by one of the two banking houses, Kuhn, Loeb & Co. or Morgan & Co.?

Mr. TRUMAN. All of them.

Mr. SHIPSTEAD. They are practically all controlled by them?

Mr. TRUMAN. Kuhn, Loeb & Co. and Morgan & Co. are the backers of practically all the railroads of the United States.

Mr. SHIPSTEAD. The records in these receiverships show that they have gone into the courts, that the courts obey their will, receivers are appointed by the courts or selected by these banking houses, and the general transactions, so far as receiverships are concerned, show that the railroads are not run primarily for the public business, but as a racket to milk the pockets of stockholders and the bondholders.

Mr. TRUMAN. And to make the bankers rich.

Mr. SHIPSTEAD. The more empty the railroad treasury is, the more of an argument they have for raising rates.

If the Senator will permit me, there is another question which has been mentioned very little, the question of what is the trouble with the railroads. There is great propaganda all over the country. Everyone is so sorry for the railroads, but no one seems to try to find out what is the matter.

An old gentleman, a partner of Andrew Carnegie, told me he knew what was the matter with the railroads. He was a very estimable old gentleman. He said, "We made our money with Andrew Carnegie. When we sold our plant to the Morgans it had a book value of \$80,000,000, and because they

had to have control of the steel companies to organize the United States Steel Corporation and to control prices, they paid us \$400,000,000 for our property. We sold steel to the railroads at \$20 a ton and immediately when they formed the Steel Corporation they raised it to \$28, and held it there until 1915, and during the war raised it to \$54." When he told me this, in 1926, steel was sold to the railroads in that year for \$45 a ton.

He said, "There is more than one thing the matter with the railroads. These banking houses control the industries that sell material to the railroads, and while the Interstate Commerce Commission passes upon a loan, they have no authority to say how much the roads shall pay for locomotives, or for cars, or for electrical equipment." So, he said, through these other industries they control. They sell to the railroads which they control, and the more they charge the railroads the less there is in the railroad treasury, and the more they cry for higher rates.

The Senator has done such fine work in this receivership matter, and if his committee has not the authority, it ought to be given the authority and the money to investigate these other industries controlled by these banking houses, industries which they control and use to milk the railroads, and in turn, through the railroads, to milk the pockets of the public. Unless we go into that thoroughly we will not understand the railroad problem.

CHILD LABOR—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. VANDENBERG. Mr. President, with labor legislation in a state of uncertain controversy in this and the next session of Congress, I rise to suggest that at least in one labor field there is available to Congress a clean-cut formula which invites swift achievement. I refer to a progressive, effectual, and immediate attack on the problem of child labor through two powerful weapons immediately at hand:

First, the Wheeler-Johnson bill to protect States which possess adequate child-labor laws of their own; and second, the new and pending child-labor amendment to the Constitution, which is identified as Calendar No. 808, and which has been awaiting Senate attention since unanimously reported by the Senate Judiciary Committee on June 22, 1937.

Mr. President, I am taking the liberty at this time of particularly presenting to the Senate the reason why I believe not only that the Wheeler-Johnson bill calls upon Congress for immediate approval, but also and particularly why there should be immediate submission to the States of the constitutional amendment to which I have referred.

The old child-labor constitutional amendment—and when I hereafter refer to "the old amendment" I shall mean the one that has been unsuccessfully pending for ratification by the States since 1924—the old amendment is probably dead, but the business of stopping the commercial exploitation of children should not be allowed to die with it.

The old amendment is dead, because it seems to stand clear upon the record that the consent of 36 States to it cannot be procured.

Indeed, the old amendment is dead in an actual, literal, legal sense, as well, if the decision of the Kentucky Court of Appeals rendered October 1, 1937, is correct, and too long a time has elapsed since original submission to permit of what the court calls a "contemporaneous reflection of the will of the people."

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WHEELER. I wish to call the Senator's attention to a fact to which I think he has already referred. The so-called Wheeler-Johnson child-labor bill passed the Senate by an almost unanimous vote, if not by a unanimous vote, and is now pending in the House of Representatives. That bill was submitted to many of the labor organizations, which were entirely satisfied with it. It was submitted to various religious organizations, which approved it, and it had the approval of practically everyone who is interested in child labor, except, as I understand, the Children's Bureau, which wanted to have a bill that gave it some control. In my judgment had it not been for the opposition of the Bureau itself, that bill would today be law.

Mr. President, if we really desire effectively to control child labor I am sure that the Johnson-Wheeler bill will effectually control it and cure this great evil.

I thank the Senator from Michigan for calling attention to the present situation with regard to pending legislation.

Mr. VANDENBERG. Mr. President, I am obliged to the Senator from Montana for his very clear statement of the situation respecting the Wheeler-Johnson bill, and it is precisely for the reasons that he has indicated that I have included the Wheeler-Johnson bill as one of the two essential steps to be taken at the moment if we are realistically interested in doing something in a legislative way in respect to child labor. It is my understanding that the Senator from Montana is equally sympathetic with the attitude which I take respecting the new child-labor amendment to the Constitution.

Mr. WHEELER. That is correct.

Mr. VANDENBERG. I thank the Senator.

Mr. President, reverting again to the statement I have made regarding the probable demise of the old amendment, I shall enlarge specifically, before I have concluded, upon both of the propositions to which I have adverted.

Mr. WHEELER. Mr. President, will the Senator again permit me to interrupt him?

Mr. VANDENBERG. I yield.

Mr. WHEELER. I have no objection to the old child-labor amendment, but, nevertheless, we must look at it, it seems to me, from a realistic standpoint. There was opposition to it of such character that it took a long period of time to consider it, and the chances are it may never be ratified, whereas I think the amendment the Senator from Michigan has suggested could be ratified in a comparatively short period of time, and would accomplish everything that anyone wants with reference to child labor. I do not think there is any question about that at all.

Mr. President, the impression seems to have been gained that it was simply some of the manufacturers and the financial groups in this country who were opposed to the original child-labor bill. I think that impression is entirely inaccurate, because, as everyone knows, the bill was opposed by several of the religious groups who felt it was too broad in its application. I, myself, did not subscribe to that view, because I felt that Congress would not go as far as those who opposed it thought Congress would go. Its opponents, however, were afraid that Congress might go too far.

Mr. VANDENBERG. Mr. President, I intend to go into that whole subject as I proceed, and I think I can present the proof that everything the Senator from Montana has said is justified.

By way of preliminary observation, I wish to say for the new amendment, Senate Joint Resolution 144, which I introduced on May 6, 1937, that it has the undivided support of the Judiciary Subcommittee, which considered it under the chairmanship of the able Senator from Kentucky [Mr. LOGAN]; that it was unanimously approved by all members who participated in the proceedings of the full Judiciary Committee on June 15, 1937, under the chairmanship of the distinguished Senator from Arizona [Mr. ASHURST], who has completely and sympathetically cooperated at every step of this proceeding; and, what is equally important and even more significant, that most of the active forces in the country which opposed the old amendment have indicated at least passive acquiescence in the new text. Therefore, if we really want a child-labor amendment to the Constitution of the United States, instead of just piously perspiring over an unobtainable objective, prompt congressional approval of Senate Joint Resolution 144 may reasonably be expected to produce it within another year.

In presenting the subject to the Senate it will perhaps best facilitate understanding if I immediately indicate the differences between the old and the new amendments, because herein lies the secret of old failures and new hopes. The old amendment has not failed because of any support in the country for those ruthless cash-register taskmasters who sweat the life out of little girls and little boys who are chained to sordid commerce in their pathetic immaturity. These slum demons have yet to rally their first defender.

The old amendment has failed precisely as the Senator from Montana [Mr. WHEELER] indicated in his introductory remarks a few moments ago. The old amendment has failed because it was so broad in phraseology, and in the possible implications of its delegation of powers to Congress, that many great groups of conscientious citizens, inspired by just as clean and just as worthy motives as the proponents of the old amendment, have believed that it would have authorized Congress not only to order a child's industrial emancipation but also to follow him, with a Federal code, into his church, into his school, and even into the parental jurisdiction of his home. They have declined to do what they believe would be violence to these latter inalienable American freedoms, even for the sake of so notably sound and appealing a purpose as that of ordering justice for children exploited in industry. They have taken the position that two wrongs do not make a right.

This opposition may or may not have been correct in its premise. That is beside the point. The point is that they have enlisted great moral and religious forces so successfully against the old amendment that, despite all the powerful aid of the present President of the United States who personally led a drive last winter in this behalf, the old amendment has not been, will not be, and cannot be ratified by the necessary 36 States to put it into the Constitution.

The trouble, I repeat, has had nothing to do with any aspiration which confines itself to the creation of authentic Federal powers to curb the commercial exploitation of children. It has had to do almost solely with language which may go beyond this aspiration and invite a comprehensive regimentation of American youth in other spheres.

This deadlock between two groups, both actuated by the highest motives, seemed to me to be wholly needless. I felt sure that the advocates of the old amendment could not possibly be reaching consciously for power to control the education, the religion, and even the home discipline of American youth. I felt equally that the opponents of the old amendment had utterly no interest or concern in protecting the commercial exploitation of little children whose broken lives were a stench in the nostrils of democracy and decency. If such were the realities, it was obvious that there must be a possible composition which would serve all the necessities of the righteous purpose without invoking an improper one. And this speedily proved to be the case when I undertook late last winter and in the early spring to bring together all these divergent forces and to find a common ground. The problem, Mr. President, is essentially a matter of phraseology; and I shall submit that the new amendment is the complete, the effective, and the successful answer.

The old amendment proposed that "Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age."

This raised three questions involved in three words; and those three words have prevented ratification of the child-labor amendment for 13 years, and still probably stand today as an insurmountable obstacle.

The first word is the word "regulate." To "regulate" may imply, it has been argued, a multiplicity of congressional regimentations wholly unnecessary to the professed objective. It is not needed, in behalf of the professed objectives, so long as Congress can either "limit" or "prohibit." Child labor can be stopped in every essential degree by "prohibition" or by "limitation." The supervisory "regulation" by a new bureaucracy, which might too easily become obnoxious, is in no degree necessary or desirable. Therefore the new amendment, in the first instance, provides for "prohibition" or "limitation" but drops the controversial word "regulate."

The second controversial word is "labor."

Labor, it has been successfully asserted, may be a great many things other than toil in a sweatshop or work in a factory. The dictionary itself describes labor as being "physical or mental toil" or as being "bodily or intellectual exertion." Therefore the control of the labor of children—if that is the unlimited jurisdiction—could be something vastly more and different than the commercial exploitation of children in work—jobs which we seek to curb. It could

include education. It could include religious education. It could include home discipline. It could include whatever the undisclosed ingenuity of tomorrow's bureaucrats might conjure under so broad a license. Meanwhile, the specific thing actually sought to be accomplished, far from being so broad as the definition of labor, is what? It is to prohibit or limit employment of children for hire. There is no mistaking that language. It means precisely what it is intended and supposed to mean. It means what the country means when it talks of child labor. Therefore it would seem obvious that when we substitute, as we do in the new amendment, the phrase "employment for hire" for the word "labor" which helped to stymie the old amendment we have substantially met the necessities of the situation.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BRIDGES. What is the reaction of the public, particularly the church groups and the agricultural groups, to the Senator's new amendment which is now pending before the Senate? In other words, do the same groups that objected so strenuously to the amendment which has been in the process of ratification for a period of years have the same objection to his amendment or are they in general accord with it?

Mr. VANDENBERG. I am about to prove to the Senate that most of them are in accord and that scarcely any are left in opposition if the new formula be accepted.

The third word that was involved in this long-time controversy was the word "eighteen."

It has been argued that children, in this day and age, have usually ceased to be "children" in a practical sense long before they reach the age of 18; that this age limit is unrealistically long; that it carries the proposed new power of Congress over "children" much too far down the calendar of adolescence. Therefore, the new amendment realistically drops the age to 16, the point at which most of the former N. R. A. protections respecting so-called child labor usually stopped. I think it is significant to note that fact.

Thus, with these three simple changes or substitutions, we get the new amendment, reading as follows:

The Congress shall have the power to limit and prohibit the employment for hire of persons under 16 years of age.

Now let me discuss the question whether this new amendment may hopefully anticipate a happier fate than the old one. I now proceed to answer directly the question submitted to me by the able Senator from New Hampshire [Mr. BRIDGES]. I have sought to contact all possible groups which organized against the old amendment and which have undoubtedly created a situation that denies any further chance for the old amendment. I have found substantial agreement that the new text largely obviates the old doubts and suspicions. In many instances I have found outstanding opponents of the old amendment who are willing to crusade enthusiastically in behalf of the new one, thankful that the child-labor issue at last is presented in a form which permits them to prove their anxiety to aid in ending this blight. In other instances I have found that former opponents will be content to subside and to withhold all further contest if the child-labor issue is textually confined to the exploitations which are presumed to be the sole concern of this progressive movement. It is as a result of these frank conferences that I submitted the now-pending phraseology and offered the new amendment on May 6, 1937. It will achieve practically every legitimate objective which the old amendment sought in behalf of American child life; but it will not do the other and unrelated things which have no place in such a request. It can undoubtedly be ratified by the necessary 36 States within 1 year, and this long-time struggle for the most elemental of humanities can be at last conclusively concluded.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I am happy to yield to the very able Senator from Wyoming.

Mr. O'MAHONEY. One of the most vigorous of all the opponents to the original child-labor law was the National Association of Manufacturers. May I ask the Senator

from Michigan whether, in making his canvass of the opponents of the original measure, he has included that association?

Mr. VANDENBERG. Let me be very frank with the Senator. I did not. It would hardly be fair to say that I am not interested in their point of view, because, of course, I am; but I felt that that particular group has a direct relationship to this problem which might involve a bias. I went to the groups, instead, which, may we say, have a social interest rather than an economic interest in the situation; and I think I am prepared to prove in a few moments that, almost without reservation, their opposition has been withdrawn. I am unable to tell the Senator the attitude of the National Association of Manufacturers.

Mr. O'MAHONEY. Does the Senator not believe that the opposition of the National Association of Manufacturers ought also to be withdrawn?

Mr. VANDENBERG. I not only believe it, I not only agree with what the Senator from Wyoming says, but I think it will be, in view of some of the other exhibits which I am about to present.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MINTON. Is the Senator from Michigan going to put in the RECORD the names of the outfits he has contacted in order that we may know their attitude?

Mr. VANDENBERG. Yes; assuming that the word "outfits" correctly applies to them.

Mr. MINTON. Well, I will amend the question and say "organizations or groups."

Mr. VANDENBERG. I thank the Senator.

A few conscientious objectors will still insist that there should be no Federal authority whatever in this field. But I believe that a fair cross section of this heretofore hostile thought is represented by the attitude of Mr. Sterling E. Edmunds, of St. Louis, Mo., director of the National Committee for the Protection of Child, Family, School, and Church, which was perhaps the most formidable single force in the battle against the old amendment. I cannot overemphasize that this National Committee for the Protection of Child, Family, School, and Church was probably the central force which organized the propaganda and the opposition against the old amendment.

Mr. MINTON. Mr. President, will the Senator yield at that point?

Mr. VANDENBERG. Let me finish this exhibit. Mr. Sterling E. Edmunds, of St. Louis, Mo., was the very active and aggressive director of this battle against the old amendment, and still is. Mr. Edmunds permits me to quote him as follows:

I am very glad, personally, and not as the director of our voluntary national committee, to state that your proposed substitute constitutional amendment, dealing with child labor, avoids the major grounds upon which the one proposed in 1924 has been so widely and bitterly opposed. Those who are opposing the old amendment are deeply interested in preventing the commercial exploitation of children which and which alone your proposed amendment would give Congress the power to prevent. But the battle against the old amendment is a battle to prevent the Federal Government from acquiring a much more extensive power over America's children with authority to regulate all of their labor paid and unpaid on the farm, in the home, and in the schoolroom, which that amendment would confer if it is ever ratified. While I am not authorized to speak for those associated with me in our continuing efforts to prevent what we believe would amount to the nationalization of our children under the old amendment, it is my opinion that few would oppose the ratification of your substitute amendment; and that such opposition, if any, would be on the general ground that the Federal Government has become dangerously overpowered to the disparagement of the right of local self-government, and that the States themselves are solving the child-labor problem. It is my further opinion that your substitute amendment would be promptly ratified if those so assiduously pressing for ratification of the old amendment would withdraw their lobbies from the State legislatures and refrain from opposing your proposal before the State conventions. Of course, if they should oppose your substitute amendment before the State conventions they will convict themselves of being more concerned for governmental control of America's children than for the abolishment of what may remain of the child-labor evil.

There is the first exhibit which I submit to the attention of the Senate.

Mr. AUSTIN. Mr. President, will the Senator yield at that point for a question?

Mr. VANDENBERG. I am glad to yield.

Mr. AUSTIN. This is a little collateral to the Senator's main theme, but I am sure it will not distract him. The consideration of the ratification of amendments to the Constitution is raised by the suggestion of this distinguished citizen.

Mr. VANDENBERG. Will the Senator permit that subject to be raised a little later in the discussion?

Mr. AUSTIN. Certainly.

Mr. VANDENBERG. I should like to complete concurrently the answer to the question submitted by the Senator from Indiana and which goes to the very heart of the question, whether it is worth while to pursue a new amendment rather than the old one.

Mr. MINTON. Mr. President, will the Senator yield at that point?

Mr. VANDENBERG. I yield.

Mr. MINTON. I hope the Senator is working up to a climax, because this man Edmunds, to whom he refers, is about as low in the scale of opposition as he could go.

Mr. VANDENBERG. I completely disagree with the Senator.

Mr. MINTON. He has labored in opposition to the amendment, but he represented no one except himself and that not very well.

Mr. VANDENBERG. The Senator is completely in error. If he will read the lists—

Mr. MINTON. I read the hearings.

Mr. VANDENBERG. If the Senator will read the list of directors of the association with which Mr. Edmunds is associated, he may still stand upon his observation if he wishes. I completely and utterly disagree with him.

I hope I have left no doubt in anybody's mind as to what I think about Mr. Sterling Edmunds. I think he is one of the splendid citizens of the United States. I think his interest in this entirely voluntary movement with which he has been related has been purely the interest of a patriot who was concerned with his conscience and with the welfare of the country. He may have been right or wrong, but so far as his motives and character are concerned, I submit this testimony, and I stand upon it.

Now, let us go to the National Grange. The National Grange is certainly an "outfit," to use the rather disparaging term of the Senator from Indiana [Mr. MINTON]—an "outfit" which ordinarily commands a reasonable degree of respect here and there. At any rate it commands my complete respect. The National Grange has always opposed the old amendment. The National Grange has insisted that the old amendment went far beyond the appropriate jurisdiction of an anti-child-labor movement in the sense of assuming the commercial exploitation of children.

What was the resolution adopted by the National Grange on November 18, 1937, at its last annual convention? This was the resolution:

Whereas the proposed child-labor amendment to the Constitution which was submitted by Congress in 1924 has thus far failed to receive the approval of the required number of States, largely because common sense revolts at the idea of classifying boys and girls up to 18 years of age as children; and

Whereas the ratification of this proposal would confer wholly unwarranted powers upon a Federal Government: Therefore be it

Resolved, That we—

The National Grange speaking—

Resolved, That we advocate the submission of a new amendment in this connection providing that Congress should have the right to limit and prohibit the employment of children for hire in industries manufacturing merchandise going into and affecting interstate commerce up to the time they have attained the age of 16 years.

In other words, Mr. President, I think it fair to assume, on the face of language of the action of the National Grange within the last few weeks, that where heretofore it has stood impregnable as one of the great obstacles to the ratification of the old amendment, it might well be contemplated now as one of the forces to make it possible for the new amendment to succeed.

Here is another interesting group—the American Bar Association. I realize that in some quarters the contemporary status of a lawyer is somewhat low in view of the aspersions that have been cast upon him hither and yon, and frequently upon high authority; but I still think the American Bar Association represents a highly respectable and significant section of important public opinion. The American Bar Association has always opposed the old amendment. In its last national convention it became so keenly concerned upon the subject that it ordered the very unusual thing, so far as its procedure is concerned, of a national ballot referendum among its membership. The result of its referendum became available a few days ago.

The previous opposition of the American Bar Association to the old amendment was confirmed by a vote of 10,840 "yes" to 2,743 "no." On the question of whether the bar association would prefer the new amendment to the old one the vote was 11,254 "yes" and 1,797 "no." On the specific question of whether the bar association would support the new amendment the vote was 7,729 "yes" and 5,777 "no."

There is a specific exhibit of another great section of American public thought which completely changes front when it faces the new amendment rather than the old. I would think that attitude of the American Bar Association might be very significant in response to the question which was asked by my able friend, the Senator from Wyoming [Mr. O'MAHONEY] respecting the attitude of the National Association of Manufacturers.

Mr. President, there are many individual exhibits which could be submitted. There are many church exhibits which could be submitted. I am not going to burden the ears of the Senate longer with this particular phase of the appeal. I am content to rest upon another "outfit," to use the language of the Senator from Indiana [Mr. MINTON], and I think this "outfit" ought to command even his respect, because I am about to quote the unanimous opinion of the Judiciary Committee of the United States Senate. This is the unanimous opinion of the Judiciary Committee of the United States Senate:

The resolution—

Referring to Senate Joint Resolution 144, the new amendment—

proposes an amendment to the Constitution of the United States prohibiting child labor. There is almost universal agreement upon this objective in American public opinion; but there has been such stern disagreement respecting the appropriate text that the previous child-labor amendment has lingered without ratification for 13 years. The former proposal has been ratified by 28 States; but it becomes increasingly manifest, particularly as a result of adverse action this year in several important States, that the former proposal will not become a part of the Constitution. The Committee on the Judiciary has been advised and believes that a new amendment, in the form herewith submitted, will accomplish every purpose in preventing the commercial exploitation of children in industry; but, on the other hand, that it effectually eliminates the anxieties of many important groups who have feared the broad implications of the language heretofore employed in the previous unfortunate proposal. These groups have bitterly contended against the previous proposal on the grounds that it might authorize Congress to control child life in many fields not actually intended by the authors of the former amendment. It makes no difference whether these fears were justified. The fact remains that these groups have made completed ratification impossible, and that they are well calculated to continue this veto. The committee is advised and believes—

This is the unanimous Senate Judiciary Committee speaking—

that the new proposal will substantially eliminate this opposition; and that by specifically confining the amendment to commercial exploitation, it may be anticipated that there will be a ready and a swift response by way of conclusive ratification by the States. Nothing has been sacrificed as respects the adequate power of Congress to deal with child labor in the exploitation sense which is universally recognized as a menace to be rigidly curbed. The changes are solely in the interest of clarification, to the end that the power thus created in Congress shall not be stretched into unanticipated and unintended fields.

So we have the unanimous verdict of the Senate Judiciary Committee, which certainly is worthy of standing in this forum.

Mr. President, in spite of what I believe to be a reasonably clear track for the new amendment, if the administration

shall see fit to give it the "go" sign, I want to make it plain that there remains an important and impressive minority which will still be opposed to any constitutional change of any nature in respect to child labor. It believes that the problem can be adequately met in the various States, protected by some such interstate proscription as the Wheeler-Johnson bill, to which I shall make further reference later.

One of the outstanding leaders who still retains this attitude is Assemblyman James J. Wadsworth, of New York, who played a large part in the Empire State's rejection of the old amendment. He insists that those for whom he speaks have no wish or thought of condoning or supporting the manual labor of little children. But, asserting that "the Lord knows we had enough trouble with that word 'prohibit' in the recent past merely because the eighteenth amendment sought to prohibit American citizens from an act which is not in itself immoral or criminal," Mr. Wadsworth continues to oppose the new amendment as he did the old, and says:

Let us by all means eradicate sweatshops and manual labor for those of tender years. Let us by all means follow the progressive path which stretches before every intelligent American citizen. But let us do it in a constructive and practical way—the way that needs no appeal to the rabble; that needs no tear-jerking oratory, no fake statements, or pictures to gain popular support for ratification. And, above all, let us not allow the Constitution of the United States to say, "Thou shalt not" to any citizen of any age. The statute laws of this land take care of the "Thou shalt not's" to the citizen; the Constitution says "Thou shalt not" only to the Government.

Mr. President, disagreeing, as I do, with Mr. Wadsworth, yet, in fairness to him, believing that I should present an epitome of his views, I submit that it demonstrates that there is still an argument to be met and still a battle to be won before Congress can be clothed with power to limit or prohibit the employment of children for hire in a conclusive sense. Nor would I minimize or depreciate this opposition. I simply say that this emphasizes the importance of choosing the surest and the most solid ground upon which to pitch the new battle. I again assert that opposition goes to its lowest ebb, and success for this movement goes to its highest flow, when we take our stand upon the new text as it now awaits congressional approval.

I should be less than frank with the Senate if I did not also indicate that the Children's Bureau in the Department of Labor, chief and most enthusiastic proponent of the old amendment, is dissatisfied with the textual changes here proposed. In a sincere and well-sustained letter to me on the subject, dated last October 27, Miss Katherine F. Lenroot, Bureau Chief, objects to the reduction in age limit from 18 to 16, and says it "constitutes a very serious failure to follow quite generally accepted standards of what good child-labor legislation should provide." She expresses skepticism about dropping the word "regulate." She particularly complains that the new phrase "employment for hire" may not cover what she calls "industrial home work," because "there are many situations in which children are at gainful work, working with parents or other adults at gainful employment, and yet not on the pay rolls themselves." She complains that "for hire" connotes "specific relationship, as employer and employee or principal and agent."

I have great respect for Miss Lenroot, and I do not propose to quarrel with her over any of her objectives, because I wholly share her concern; but I want to say this in response to her criticisms of the new amendment. The new amendment does intend to confine itself to commercial exploitation of children in the commonly accepted relationship between employer and employee. Undoubtedly it does not enter the American home and reach parental relationships. That is its strength. That is the reason it can be ratified. Perhaps it thus will fail to prove the final 100-percent restraint upon child labor for which our ideology might justly yearn. But I submit that if it goes 99 percent of the way and succeeds, it is an infinitely greater benediction upon child life than is a blind and unreasoning pursuit of the 100 percent which fails to get anywhere at all. I further submit that no amendment, no matter how nobly meditated, can ever hope to enter the American home and substitute the controls of a governmental bureaucracy, however benev-

olent, for the primary responsibilities of parenthood. To attempt it is futile. To withhold all other efforts because of futility is disservice to a great cause.

I am hopeful that the Children's Bureau and the Department of Labor will come to view the matter as realistically as the Senate Judiciary Committee has done. Their cooperation is essential to a quick and successful campaign in behalf of the new amendment. A division among the friends of this great objective would discourage a prospectus which otherwise offers at this hour greater promise of success than ever before.

It is natural that those who have striven for the old amendment down through 13 hectic years should have a particular attachment to its form and substance; but I submit that a realistic consideration of the problem incorrigibly demonstrates that the old amendment offers no better possibilities than another era of interminable and inconclusive discussion.

Let us see if this is not a judicial conclusion.

The life story of this old child-labor amendment—which has been perhaps more accurately described by many of its critics as the youth-control amendment—is a tale of frustrating ups and downs, with the downs predominating despite final favorable action at one time or another by 28 of the necessary 36 States in the last 13 years. But, from first to last, a considerable number of States, some of them exceedingly important and influential and populous States, have repeatedly declined to fall in line with the old amendment; and there is absolutely no realistic reason for believing that they ever will. These States are Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maryland, Massachusetts, Missouri, Mississippi, Nebraska, New York, North Carolina, Rhode Island, South Carolina, Tennessee, Texas, Vermont, and Virginia.

I repeat that this opposition is entrenched beyond any realistic hope that it can be overcome. This conclusion is emphasized by the State legislative record in 1937. Probably in no year since the old amendment was launched have State legislatures been subjected to such tremendous pressure from Washington, and by an administration which is highly expert in the technique of putting on the screws. The President himself started the campaign early in January with personal letters to the Governors of the several States urging that ratification of the old amendment be set down as a major State legislative objective for 1937. The White House did its prettiest in this respect. It was followed by heavy lobbying by pressure groups which concentrated on this year's last round-up. I am not now discussing whether they were right or wrong in their objective; I am solely discussing what happened. I am simply facing facts in behalf of an honest answer to the question whether the true friends of the movement to stop child labor should longer cling to a broken dream or whether they should wholeheartedly rally to the new standard which gives every promise of actually stopping child labor.

What happened as a result of this great drive last spring for the old amendment? The sum total of this powerful effort upon 21 State legislatures, meeting this year in regular or special session, was to capture 4—Kansas, Nevada, New Mexico, and Kentucky; but in 2 of the 4—Kansas and Kentucky—the validity of ratification was promptly challenged in the courts, and in Kentucky the courts already have sustained the challenge. Meanwhile, despite the pressure in a cause which peculiarly lent itself to persuasive emotional appeal, the following 17 State legislatures either rejected the old amendment or failed to ratify: Alabama, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, Missouri, Nebraska, New York, North Carolina, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, and Vermont.

These legislatures spoke for 50,000,000 people during 1937. In some instances the rejection was particularly eloquent. For example, the Massachusetts House rejected the old amendment on March 23 by a vote of 188 to 13, and the Senate followed suit 1 week later by a vote of 30 to 6. The New York Assembly rejected it on March 9 by a vote of 102 to 42. The South Dakota House rejected it on February 11 by a vote of 70 to 28. On the other hand, the Kansas

ratification in the State senate was by a vote of 21 to 20, with the Lieutenant Governor casting the deciding vote—the exercise of a prerogative on his part which is now in process of court challenge instituted by all 20 of the opposition State senators, plus 1 who had been recorded in the affirmative.

I submit that this 13-year record offers no tangible assurance that the future of the old child-labor amendment will be any more successful than its past, and if we are really interested in doing something about this problem, that the time has come frankly to abandon a failure and to concentrate upon an alternative which gives every promise of success.

There is an even more persuasive reason—namely, the October decision of the Kentucky Court of Appeals. I beg the Senate to understand that I am merely reporting the facts as a newspaper man, and not attempting to argue them as a lawyer for I am not a lawyer. The Kentucky Court of Appeals announced in a litigated decision on October 1, 1937, that the amendment is no longer legally pending for action by the States. First, because it has, upon occasion, been affirmatively rejected by more than one-fourth of the States; second, because 13 years is more than a "reasonable time" in which to get a "contemporaneous reflection of the will of the people." On the former score the court points out that—

It appears from the record that 21 instead of 13 States by 1926 had not only rejected the old amendment but also that resolutions thereon were duly certified to the Secretary of State of the United States, and 37 States in all had actually rejected.

On the latter score the court points out that if a proposed amendment be deemed pending forever, without any time limit dictated by a rule of reason, we might confront the absurd contemplation that two amendments proposed in 1789, one in 1810, and another in 1861, might still be deemed alive, although the generations which fostered them long since went to their graves.

The Kentucky issue arose because, among other reasons, this State rejected the old amendment on March 24, 1926, but under whip and spur of New Deal impulse sought to reverse itself 11 years later and voted to ratify on January 13, 1937. There was much argument back in post Civil War days over the question whether a State could speak more than once and change its mind in the exercise of its prerogative to pass upon constitutional amendments, and there seems to have developed an expedient body of opinion at that time that if a State should vote "yes" the decision was irrevocable, but if it should first vote "no" it could subsequently reverse itself. But the Kentucky court, quoting numerous sustaining authorities, dismisses this as hypocrisy, and bluntly says:

We think the conclusion is inescapable that a State can act but once . . . and whether its vote be in the affirmative or negative, having acted, it has exhausted its power further to consider the question without a resubmission by Congress.

On the other point—"reasonable time"—the court points out that Congress itself now apparently considers that 7 years is the maximum lapse for an appropriately contemporaneous judgment. This limitation was part of the congressional action on the twentieth and twenty-first amendments, and it is embodied in the new child-labor amendment as now proposed.

The Kentucky Court of Appeals may be right or wrong. It will take a decision of the Supreme Court of the United States to decide. I freely concede that this exceedingly interesting constitutional point is moot. In the recent Kansas appeal the Kansas Supreme Court, in a divided opinion, came to a conclusion on September 16, 1937, quite contrary to the one just presented. It held that the old child-labor amendment retained its validity and pendency after and despite its rejection by a majority of the States; that the old amendment is still pending, although more than 12 years have elapsed since submission; that a State which had affirmatively rejected the old amendment could later reconsider and validly ratify.

This disagreement recalls previous dispute over the same issues. A special committee of the American Bar Association reported in 1935 that the old amendment was legally dead

even at that time because of the lapse of 10½ years since original submission. The committee was answered by three law professors, who took the opposite view in a memorandum which appears in the CONGRESSIONAL RECORD for 1935 at page 1737.

When lawyers and courts disagree, far be it from the intentions of a prudent layman to invade the field; but I am advised by the Senate's legislative counsel that the only case in which the Supreme Court has spoken on any phase of this issue is the case of *Dillion against Gloss*. The opinion of the Court in that case clearly indicates that there is a reasonable time limit within which amendments must be ratified, that Congress is the proper authority to fix this reasonable limit, and the implication may appropriately follow that Congress already has fixed the limit at 7 years.

Mr. President, without taking the time of the Senate to read from the opinion of Mr. Justice Vandevanter, I ask that a brief quotation be inserted in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Dillon v. Gloss, Deputy Collector of United States Internal Revenue (256 U. S. Repts., p. 368). Appeal from the District Court of the United States for the Northern District of California

No. 251. Argued March 22, 1921. Decided May 16, 1921

Mr. Justice Vandevanter delivered the opinion of the Court.

We do not find anything in the article which suggests that an amendment once proposed is to be open to ratification for all time, or that ratification in some of the States may be separated from that in others by many years and yet be effective. We do find that which strongly suggests the contrary. First proposal and ratification are not treated as unrelated acts but as succeeding steps in a single endeavor, the natural inference being that they are not to be widely separated in time. Secondly, it is only when there is deemed to be a necessity therefor that amendments are to be proposed, the reasonable implication being that when proposed they are to be considered and disposed of presently. Thirdly, as ratification is but the expression of the approbation of the people and is to be effective when had in three-fourths of the States, there is a fair implication that it must be sufficiently contemporaneous in that number of States to reflect the will of the people in all sections at relatively the same period, which of course ratification scattered through a long series of years would not do. These considerations and the general purport and spirit of the article lead to the conclusion expressed by Judge Jameson (*Jameson on Constitutional Conventions*, 4th ed. 585) "that an alteration of the Constitution proposed today has relation to the sentiment and the felt needs of today, and that, if not ratified early while that sentiment may fairly be supposed to exist, it ought to be regarded as waived, and not again to be voted upon, unless a second time proposed by Congress! * * *." We conclude that the fair inference or implication from article V is that the ratification must be within some reasonable time after the proposal.

Mr. VANDENBERG. Mr. President, without invading this controversial field of legalistic technique, we cannot escape one of two conclusions; either the old amendment is dead, as determined by the Kentucky Court of Appeals less than 2 months ago, or its continuing validity is seriously shadowed by a constitutional infirmity which makes it inadvisable for friends of the movement longer to cling to the old formula, particularly since the legal infirmity is joined by the political infirmity evidenced by the utter improbability that the consent of 36 States can ever be obtained to the old amendment.

The extent and importance of the legal question—and its bearing upon the general situation—is further indicated by the fact that all of the following States, in one or the other of their State legislative branches or in both, have voted during the last 13 years both ways upon the old amendment: Colorado, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Utah, Washington, West Virginia, and Wyoming.

The old child-labor amendment, which has been languishing for more than 13 years, is always enthusiastically used by impatient reformers to sustain their wholly untenable and self-serving thesis that the process of changing the Constitution by the authentic amendment method provided in the

Constitution itself is too slow, too tortuous, and too hazardous to answer modern, passionate zeals for change. But the trouble with this sham conjuring is that it just is not so. When the people really want their Constitution amended—when there is not something so radically wrong with the thing proposed that great groups of the people oppose it—the incontestable fact of the matter is that they act with so surprising a facility that even the most rabid of shotgun crusaders ought not to suffer dyspepsia. It took them little more than 13 months to ratify the eighteenth amendment between December 1917 and January 1919; and then it took them less than 10 months to unratify it through the adoption of the twenty-first amendment for repeal between February and December 1933. They went for women's suffrage, through the nineteenth amendment, in less than 14 months between June 1919 and August 1920. They ordered the direct election of United States Senators, through the seventeenth amendment, in less than 12 months from May 1912 to May 1913. They adopted the twentieth so-called "lame duck" amendment in 11 months from March 1932 to February 1933.

These are the last five amendments added to the Constitution; and they averaged just 12 months from submission to ratification. The only other amendment ratified in this century was the sixteenth, or income-tax amendment, the ratification of which took 3 years and 8 months from July 1909 to February 1913. This is the record—and every subject was a highly controversial one.

The sole exception to the rule, Mr. President—and this is the significant thing I am trying to drive home to the Senate—has been the old child-labor amendment, which was voted by the House on April 26, 1924, by a vote of 297 to 69, and by the Senate on June 2, 1924, but which has lacked ratification by the necessary 36 States ever since.

What is the reasonable deduction, when the last five amendments complete their journey in an average of 12 quick months, while the lone, orphan amendment is still without a home at the end of 13 years? Is it that the constitutional process of amendment is a lumbering, impractical relic of an ancient age, or is it that the process probably rejects ill-conceived or ill-drawn schemes? What is the logical moral? That the amendment process killed a worthy enterprise, or that the enterprise did not present itself appropriately to the conscience and the judgment and the prudence of the American people?

It is because I so firmly believe the latter thing, and because I so firmly believe that there can now be obtained a quick meeting of minds under the new formula and program which will absolutely prevent the exploitation of children, that I am taking the liberty of urging the consideration of this subject upon the Senate at the present time.

Mr. President, I have practically concluded. The problem and responsibility of putting an end to the sweated labor of children who are the victims of commercial exploitation, and whose little lives are broken upon the grim rack of selfish industry, will always be a primary moral and social challenge in America until there is an end to this uncivilized disgrace; but it is a matter of encouragement that great progress is being made under State laws in behalf of this heartfelt objective. The Children's Bureau of the Department of Labor has issued an official circular which shows that children from 10 to 13 years old employed in specified manufacturing and mechanical industries in the United States were reduced 51 percent in numbers from 1920 to 1930, the numbers of children from 14 to 16 were reduced 64 percent, and the numbers of children from 16 to 18 were reduced 32 percent. This is a very real advance. But it is clear that a fundamental challenge remains, because, according to the 1930 census, there were still 235,000 children from 10 to 14 who were specifically at work, with 88 percent of them concentrated in South Atlantic, East South Central, and West South Central States. There were 432,000 children from 14 to 16 still at regular work, again with 66 percent concentrated in the same identified group of States.

The Children's Bureau of the Department of Labor points out that N. R. A. substantially accelerated this cleansing trend, but that the suspension of N. R. A. correspondingly renewed the old trend, which found the tendency for child labor following the trend of general factory employment.

A definite child-labor problem manifestly remains. It involves some three-quarters of a million children who are 16 years of age or under. In time State authority might catch up with the problem. That is the direction which events have taken. But a humane nation cannot rest contented with this slow and hesitant reliance. We may find it difficult to agree upon uniformity in respect to general wage and hour standards, but we ought not to find it difficult to agree upon uniformity of protection against the sordid and degenerating exploitation of little children in industry and agriculture, or anywhere else.

The proposed amendment, it should be clearly understood, is not itself a statute. It does not undertake to specify that no child shall work at all under any circumstances. That would be ridiculous, because there is such a thing as work, even for children, which may be healthy and wholesome and highly useful in the primal inculcation of habits of thrift and responsibility. The proposed amendment authorizes Congress to deal with the subject in a deliberative and practical way, asserting such realistic exemptions as common sense may dictate. I am unable to believe that there is any considerable sentiment in the country which would object to this much congressional authority being exercised in child emancipations. On the contrary, I am emphatically convinced that a constitutional amendment which confines itself to this objective, and yet wholly succeeds in meeting this objective, will be promptly ratified by the action of sufficient States to bring this long-deferred aspiration to effective fruition.

Instead of waiting 13 more years to wrangle over extreme futilities, there is a clear, clean way to stop what remains of inhumane commercial exploitation of children under the American flag. If the present national administration will put its tremendous power behind two effective alternatives, the job can be done, and it can be done now—to quote a favorite Presidential apostrophe.

It can be partially done by the early passage of Senate bill 2226, already approved by the Senate, which is the proposal sponsored by the Senator from Montana [Mr. WHEELER] and the Senator from Colorado [Mr. JOHNSON] to protect enlightened States against unenlightened ones, and which would permit any such State to apply its own child-labor laws against "all goods, wares, and merchandise produced wholly or in part through the use of child labor" that shall be brought in from other States "for use, consumption, sale, or storage." This is in line with the recommendations of the American Bar Association, and with the theory of the Hawes-Cooper Act and the Ashurst-Sumners Act, both already sustained by the Supreme Court, and both dealing with the interstate transportation of prison-made goods.

It can be done finally and conclusively by clothing Congress with the unequivocal and unquestioned power to "limit and prohibit the employment for hire of persons under 16 years of age," as provided in the new and now-pending constitutional amendment. Congress can then confidently proceed to the necessary final statute. That statute, of course, will provide appropriate exemptions. For example, it is in no one's mind to end the traditional newsboy's role beyond essential primary rules. But such a statute, dealing exclusively with commercial exploitation, can end for keeps what remains of this insufferable, indefensible vice.

It is a choice between more agitation—sterile agitation on the one hand and quick action, conclusive action, on the other hand. The present Congress will decide.

I thank the Senate for its consideration.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

Mr. BARKLEY. Mr. President, it is obvious that the unfinished business now before the Senate, being House bill 1507, otherwise known as the antilynching bill, cannot be con-

cluded at this special session of Congress. It is not desired that it shall interfere with the consideration of the housing bill, upon which we hope to have a report from the Banking and Currency Committee this afternoon. I have conferred with the Senator from Indiana [Mr. VAN NUYS], the Senator from New York [Mr. WAGNER], and other Senators who are sponsoring House bill 1507, and in accordance with the understanding reached—

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator advises us that he consulted those who are sponsoring the bill. Has the Senator consulted any of those who have been opposed to the measure?

Mr. BARKLEY. I have; yes.

Mr. CONNALLY. I cannot help what has been done, of course, but I think we are still Members of the Senate and that now and then we should be consulted about these matters.

Mr. BARKLEY. I did not suppose anybody who was opposed to the bill would object to the postponement of its consideration.

Mr. CONNALLY. I am not talking about that, but I am talking about the plans of the Senator as to the day on which he proposes to have the bill taken up and that sort of thing. The leadership has been deferring to the two Senators primarily interested in the bill and acceding to all their wishes without consulting at all those of us who are on the other side. That may be proper, but I do not see how all of us can be expected to follow a leadership that never consults us about what is to be taken up.

Mr. BARKLEY. I thought I spoke to the Senator about this matter.

Mr. CONNALLY. The Senator did, but it had already been arranged, and what was the use of consulting us after it had been arranged?

Mr. BARKLEY. My friend the Senator from Texas can object.

Mr. CONNALLY. The Senator from Texas is not going to object, but the Senator from Texas is going away on a duty at the command of the Senate, and it is not planned that the subcommittee of which he is a member will return until the 10th of January. However I shall be back here; I shall change my reservations and be present whenever the measure comes up.

Mr. BARKLEY. Of course, it is difficult for anyone who seeks to guide the proceedings of the Senate to have every Senator agree to everything he tries to do. I have tried—

Mr. CONNALLY. It is not impossible to consult Senators to find out what they think about it.

Mr. BARKLEY. I do not think my friend from Texas has any complaint on that score.

I ask unanimous consent that further proceedings on the unfinished business, being the bill (H. R. 1507) to assure to persons within the jurisdiction of every State equal protection of the laws and to punish the crime of lynching, now before the Senate, be postponed until Thursday, the 6th day of January 1938, which will be the fourth day of the regular session beginning on the 3d of January.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. SCHWELLENBACK in the chair). Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. McNARY. I hope that the Senator from Kentucky will defer his request for a few minutes, as the Senator from Idaho [Mr. BORAH] stated he would like to be present when the proposal was submitted to the Senate.

Mr. BARKLEY. I have no objection; but so many Senators have asked me about this matter that I wanted to get it settled so that every Member of the Senate would understand the situation.

Mr. McNARY. Will the Senator again state his request?

Mr. BARKLEY. The proposal is that further proceedings on the unfinished business, which is House bill 1507, the

antilynching bill, be postponed until the 6th day of January, which will be Thursday of the first week of the next regular session of Congress.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. BARKLEY. I yield to the Senator from New York.

Mr. COPELAND. Will the Senator yield in order that I may ask a question of the Senator from Indiana [Mr. VAN NUYS]?

Mr. BARKLEY. Yes; I yield to the Senator from New York.

Mr. COPELAND. I should like to ask the Senator from Indiana a question. I know that under his leadership and that of my colleague [Mr. WAGNER] this measure has gone forward. I desire to be assured that the arrangement suggested by our leader is really acceptable to those who are taking the leadership for this proposed legislation. May I ask the Senator from Indiana about that?

Mr. VAN NUYS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Indiana?

Mr. BARKLEY. I yield.

Mr. VAN NUYS. In response to the inquiry of the senior Senator from New York, I wish to assure him that this move upon the part of the majority leader is in conformity with conferences that we have repeatedly held. Both the junior Senator from New York [Mr. WAGNER] and I agreed to this procedure for certain reasons. It is wholly impossible to dispose of this bill at this session, and I am confident that if we should press it for immediate consideration there would be a filibuster until the end of the special session; and it is not the desire either of the Senator from New York or myself to have the special session end in a filibuster, especially when there is a piece of constructive legislation on its way to the Chamber this afternoon. I believe that all the friends of the so-called antilynching bill will agree with me that it is in the best interest of the bill and its ultimate passage that we resort to the procedure suggested by the majority leader.

Mr. COPELAND. So far as I am concerned I am entirely content, inasmuch as I am assured that the proposed agreement is satisfactory to those favoring the legislation. I tried last summer in various ways to get early action on the bill, and I sincerely trust that the postponement requested does not mean that the hopes of those in favor of the legislation will be dashed to the ground once more. But with the assurance from our leader and from the Senator from Indiana I am content.

Mr. McNARY. Mr. President, as I recall, early in the present extraordinary session the Senator from New York [Mr. WAGNER] made a motion to proceed to the consideration of the so-called antilynching bill. That motion was debated, and then later it was displaced by the farm bill; and the antilynching bill did not become the unfinished business until Friday of last week. That is the record, is it not?

The PRESIDING OFFICER. That is a correct statement.

Mr. McNARY. I am curious to know from the able Senator from Kentucky if we are merely to suspend consideration of the so-called antilynching bill or are we to displace it by another measure?

Mr. BARKLEY. I will say to the Senator that the request which I make, if agreed to, would not displace the bill; it would simply postpone it to a day certain, at which time it will occupy the same status it now occupies. In order that that may be confirmed as a matter of record, I ask the Chair whether, if my request is agreed to, when the Senate meets again, on the 6th day of January, the bill will then occupy the same status which it now occupies?

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that the bill will occupy the same position on the 6th day of January which it occupies now.

Mr. McNARY. Mr. President, I have in mind another inquiry: If the bill remains in the same status as now, may any Senator call for the regular order and bring it back before the Senate?

The PRESIDING OFFICER. If the unanimous-consent request is granted, it would not be possible without unanimous consent to bring it up before the 6th day of January.

Mr. McNARY. Then, under the unanimous-consent agreement, it cannot be displaced, but automatically, without further procedure, it will come before the Senate on the 6th day of January 1933?

The PRESIDING OFFICER. The statement of the Senator from Oregon is correct.

Mr. McNARY. Mr. President, I have conferred, through a messenger, with the Senator from Idaho [Mr. BORAH], and find that he has no objection to entering into the agreement whereby we shall proceed with the consideration of the bill on the 6th of January without any further entanglement or complication. So I have no objection.

Mr. BURKE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. BURKE. I am interested only in the date, the 6th of January. I expect to support this bill and to vote for it when it comes to a vote. However, as the Senator from Texas [Mr. CONNALLY] has pointed out, he is a member of a special committee of the Judiciary Committee, which, under the direction of the Senate, has arranged to make an investigation, and it will not be possible for us to return until Monday the 10th of January. What is there sacred about the 6th of January, or why would it interfere so seriously with the work of the next session if the date suggested could be changed to the 10th of January, so as to permit the subcommittee of which I happen to be chairman to conclude its work?

Mr. BARKLEY. I will say to the Senator from Nebraska that my own preference would have been the 10th of January, but we thought, by reason of making the date the 10th of January, we might be able to dispose of the reorganization bill during the first week of the next session. But the Senator from South Carolina [Mr. BYRNES], who has charge of that bill, does not desire to take up the reorganization bill until the antilynching bill is disposed of. He does not desire to start upon consideration of the reorganization bill and have to stop it, probably in the middle of its consideration, to enter upon the consideration of the antilynching bill.

Furthermore, the request I have made sets a day which is most convenient to the largest number of those with whom I have been able to talk. I realize that probably nothing would be lost if the bill went over to the 10th of January, but we would have a whole week in which we would have nothing to do in the regular session, and it seemed to me, inasmuch as this bill is the unfinished business, that it is a concession on all sides to postpone it to January 6, and not consider it at all at this session, certainly not debate it, for the next 3 or 4 days while we are in session. The 6th of January is the best day I have been able to arrive at and, for that reason, I fixed that as the day.

Mr. BURKE. I can see no purpose, on my part, in objecting to the unanimous-consent request, because that would only mean beginning the discussion at once and would prevent the junior Senator from Texas even from starting on the investigation which he is going to make. So I will not object, but I think the date is unfortunate.

Mr. CONNALLY. Mr. President—

Mr. BARKLEY. I yield.

Mr. CONNALLY. I want to say something about the request before it is determined, either in my own time or in the time of the Senator from Kentucky.

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. CONNALLY. I shall not ask the Senator from Nebraska [Mr. BURKE] to insist upon his suggestion.

The Senator from Kentucky [Mr. BARKLEY] made some reference to what a great accommodation it is to all parties not to proceed with this matter now. It is not an accom-

modation to the Senator from Texas. According to the Senator from Indiana [Mr. VAN NUYS] it might be a filibuster. If the Senator from Texas were disposed to filibuster, he could filibuster by objecting to the request now, and then the bill would be debated 2 or 3 days, and we would adjourn for the Christmas holidays and in the regular session other matters of importance would be pressing. Senators would endeavor to keep the antilynching bill ahead of every other administration measure and the cat would be on their backs and not on ours. That is what I could do and that is what I ought to do when we are not treated with consideration and when we are not even consulted about the fixing of the date.

The Senator from Indiana [Mr. VAN NUYS] and the Senator from New York [Mr. WAGNER] are the ones who have access to the secret councils of leadership, but we are not consulted. It is immaterial whether it suits us or not, but if it suits the Senator from New York and if it suits the Senator from Indiana, that is to be the will of the Senate.

The Senator from Texas will be here when this bill is taken up. The Senator from Texas is in no mood now to make any pledges whatever. We realize that we cannot postpone action on the antilynching bill forever. We realize that sooner or later we are to be lynched if possible under the name of "antilynching." [Laughter.]

I want to express my feelings in the matter because we have not been consulted and we have been shown no consideration whatever. If these are going to be the tactics of the Senator from New York and the Senator from Indiana and the leadership of the Senate, we shall be here in January, and we may be here a good long while in January, too. With that statement I have nothing more to say at this time.

Mr. BARKLEY. Mr. President, I feel that in fairness to myself I must make at least a brief reply to my friend from Texas.

I suppose everyone in the Senate knows how delicate the situation has been with respect to the antilynching bill. It is no fault of mine that it was brought forward in the last session. In an effort to accommodate the Senate proceedings to the situation that developed at that time I offered the request to make the bill the special order following the disposition of the farm legislation at the next session. I stated frankly that that applied whether it was an extra session called by the President or the regular session to meet in January.

Of course, we all understand that the agricultural relief bill consumed more time in the Senate than was anticipated. It was disposed of only last Friday. We have only 3 more days of this session. I do not think anyone would feel that anything could be gained by proceeding now to discuss the antilynching bill for the next 3 or 4 days. It is conceded there could not be a vote upon it, and that procedure would interfere with the consideration of the housing bill, which I hope the Committee on Banking and Currency will report this afternoon.

Looking forward to that situation, I have conferred with Members of the Senate on both sides of the question, including the Senator from Texas.

Mr. CONNALLY. Mr. President—

Mr. BARKLEY. I have tried to fix a date upon which we could agree.

Mr. CONNALLY. I should like to ask the Senator when he conferred with the Senator from Texas about the date?

Mr. BARKLEY. I talked with him this morning.

Mr. CONNALLY. After the date had been agreed upon and arranged.

Mr. BARKLEY. I told the Senator the only date I could agree upon.

Mr. CONNALLY. I do not call that consultation. I call that instruction.

Mr. BARKLEY. I am sorry the Senator from Texas does not feel that I consulted with him, and I apologize to him if I have in any way neglected him in that respect.

Mr. CONNALLY. I do not consider that I as an individual Senator have any right to be consulted, but because of my activity in connection with this measure I did think that before the date was fixed, if other Senators were to be consulted and conferred with, I, too, should be consulted. I did not ask or expect that I be specially considered, but, if other Senators interested were to be consulted, then, since I have endured so much obliquy and odium because of my activity in connection with this matter, I could not see why I, in my obscurity, might not be consulted at some time before the date was fixed.

Mr. BARKLEY. I do not think the Senator from Texas has endured any obliquy or odium in connection with the matter. He has exercised the right that he or any other Senator possesses as a Member of this body.

I may have been entirely wrong, but I assumed the only Senators who would object to a postponement of the measure, either indefinitely or to a day certain, would be those advocating it. Very naturally I could not take a census of the entire Senate to ascertain its wishes in the situation. I have consulted Senators on both sides of the question, for and against the bill, and after consultation I had decided on the 6th of January. In order that we might not lose the whole week, and in order that Senators might have ample opportunity to return after the holidays, it was decided that Thursday, the 6th day of January, was the most convenient date. That is in conformity with the request I have made. I am extremely sorry that my good friend from Texas takes any umbrage because he feels I did not sufficiently consult with him about it.

Everyone knows we cannot get a vote during this week on the bill. We could not get a vote this week even if we continued the debate. In order not to lose any time, and in order to get the matter disposed of at the very earliest possible date, it seemed that the 6th of January was the most convenient date, and it is for that reason I have made the request.

Mr. CONNALLY. Mr. President, if I can have a little time, I should like to have it in my own right, unless the Senator from Kentucky desires to continue further.

Mr. BARKLEY. I yield the floor.

Mr. CONNALLY. The only information the Senator from Texas has received about the date was received this morning, and he received that by going to the Senator from Kentucky and asking about it. It had then been arranged to have the bill go over until the 6th of January. If that is consultation before the matter is settled, then the Senator from Kentucky has a different conception of consultation than has the Senator from Texas. I did talk to the Senator from Kentucky some days ago and he said he was going to arrange to have the bill taken up some time during the next session.

Mr. BARKLEY. I talked to the Senator two or three times. I know I consulted the Senator from Georgia [Mr. GEORGE], the Senator from North Carolina [Mr. BAILEY], and other Senators. I would not undertake to name all of them, but I have told a number of Senators interested in the matter, who have been active in opposition to the bill, that I was trying to have the matter postponed until January. At that time no date was suggested and I found no opposition on the part of any of those Senators to postponing it until January. I think I recall saying I was trying to work out a date that would be agreeable all around. I did not have any intimation until this morning from the Senator from Texas that January 6 would not be satisfactory. Having agreed on that date all around, it seemed to me it was the best I could do. That is why I made the proposal.

Mr. CONNALLY. The first notice the Senator from Texas had about the agreement was from the newspapers, where he usually gets most of his information about the program in the Senate. In that statement it was said that the bill was to be taken up on the 10th.

Mr. BARKLEY. I was not responsible for that statement. I did not even see it.

Mr. CONNALLY. That was entirely satisfactory to me, so I made no complaint; but this morning, thinking that since

the matter was to come up on the 10th I had better get some information on the subject, I approached the Senator from Kentucky [Mr. BARKLEY], as I thought in a proper manner, and was advised that they had agreed on the 6th.

Mr. BARKLEY. I can guarantee to the Senator that there will be no vote on the 6th.

Mr. CONNALLY. No; I do not think there will be, either. [Laughter.] There will not be any vote for a long time if these tactics are going to be pursued. If this is the kind of opposition we have to go up against, it will be a long time before there will be a vote.

So far as accommodating us is concerned, it is no accommodation to us. It is an accommodation to the leaders in charge of the bill, the Senator from New York [Mr. WAGNER] and the Senator from Indiana [Mr. VAN NUYS]. They are the ones who are being accommodated. We could consume the time, if we desired, from now until the time we recess for the Christmas holidays, but they want the bill to go over until the regular session. They want to get us out on the plowed ground where they hope they can catch us, and where they hope to string us up, where they hope to lynch us. [Laughter.] We are already marked.

It is no accommodation to us. The Senator from Kentucky speaks as if it were an accommodation to us to put off consideration of the bill until January. Bring it up now, if that is the desire, and keep it before the Senate, if desired, and wait until March for the reorganization bill, so far as I am concerned, and wait for the other legislation. Accommodation to us? The Senator is accommodating us by praying for us a little before we are lynched. That is all.

I shall be back here on the 6th of January. I shall give up the trip to Puerto Rico if necessary. I am instructed by the Senate to take the trip, but I do not have to obey the Senate.

The PRESIDING OFFICER. The Senator from Kentucky has asked unanimous consent that the consideration of House bill 1507 be discontinued until the 6th day of January.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. What right has this session of Congress to bind the next session? I ask purely for information. I do not know.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that this request is authorized by Senate Rule XXII.

Mr. CONNALLY. It is authorized and, if agreed to, it will be binding on the next session?

The PRESIDING OFFICER. That is correct.

Mr. CONNALLY. We cannot undo it at the next session? It is like the law of the Medes and Persians; it cannot be changed?

Mr. McNARY. Mr. President, I desire to observe that the session in 1938 will be a session of the same Congress, this being a special, and that being a regular session.

Mr. CONNALLY. The Senator from Texas knows it is the same Congress. His question was about the right of one session to bind another.

Mr. BARKLEY. Furthermore, Mr. President, I will say to the Senator from Texas that this bill occupies the same status that any other bill would occupy. It is not like the laws of the Medes and Persians. The majority of the Senate at any time can displace this bill, as it can displace any other bill, and ask for the consideration of some other measure.

Mr. CONNALLY. Of course, it will not do so, however. I merely wanted information. If that is the rule, all right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

A STATEMENT OF PRINCIPLES AND OBJECTIVES

Mr. BURKE. Mr. President, I rise for the purpose of submitting a unanimous-consent request to insert a certain article in the RECORD; and before doing so I wish to make a very brief statement.

Earlier in the day we heard an appalling state of affairs set forth by the junior Senator from Missouri [Mr. TRUMAN] in reference to railroad financing and railroad receiverships. If the facts bear out what was stated—and presumably there is evidence to support everything that was stated—a very serious situation has existed in this country in the matter of railroad financing.

In spite of that fact, however, and if everything that was said today is borne out by the facts, it remains true that the one hope in America is for the development of responsible individualism as contrasted or opposed to state socialism; and that leads me to what I desire to say for just a moment.

During the past week there has been much said concerning a declaration of principles supposed to have been drawn by certain Senators, sometimes called a manifesto or the opening statement for some sort of a vague coalition. How much of fact or fancy there may be about these newspaper reports I do not know, other than that there has been drawn up in written form a declaration of principles, and it seems to me a declaration with every part of which every Member of the Senate could wholeheartedly agree. I think the overwhelming majority of the people of the country would find real hope and encouragement if it were known that there was general agreement in this body concerning this declaration of principles. It seemed to me important that the address to the people of the United States as printed in some of the newspapers, drawn, as I understand, by certain Members of the Senate, should appear in the CONGRESSIONAL RECORD.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BURKE. Yes; I yield.

Mr. MINTON. Will the Senator give us the authorship of this declaration?

Mr. BURKE. I cannot, because I do not know.

Mr. MINTON. Was the Senator a member of the drafting committee?

Mr. BURKE. I was not. I had nothing to do with it. I heartily approve of it, however, and should be delighted if I could claim some measure of credit for having drafted it; but unfortunately I cannot, and I do not know of my own personal knowledge anything about its authorship. It does seem to me important, however, that this declaration of principles, or address to the American people, or whatever we may choose to call it, should appear in the RECORD.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BURKE. Yes; I yield.

Mr. BARKLEY. I have not seen the declaration. I have heard rumors that such a declaration had been promulgated or signed by some Members of the Senate. The Senator proposes to ask, I believe, that it be inserted in the RECORD.

Mr. BURKE. I am about to do so.

Mr. BARKLEY. Will it include the signatures of those who have signed it, if anybody did sign it?

Mr. BURKE. What I am about to offer for the RECORD is the only thing I know about the declaration. I have before me a copy of the New York Times of Thursday, December 16, which sets out what purports to be an address to the American people, and also the last issue of the United States News, which sets out the declaration in full. There are no signatures to it. Whether or not anyone has signed the declaration, I do not know. No one ever presented the statement to me and asked my signature; and I should really feel somewhat in the condition of the junior Senator from Texas [Mr. CONNALLY]—that I had been overlooked, and not treated with fairness—if such a declaration were circulated and I had not been asked to sign it. That is all I know about the question of signature.

Mr. BARKLEY. I was just wondering; my inquiry was prompted only by a desire to get information. Inasmuch as it is designated an address to the people of the United States, I am interested to know who delivered the address, or who is writing the letter to the people, or who is sponsoring it. If the Senator does not know, I shall not press the matter.

Mr. BURKE. I have no knowledge on the subject.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. BURKE. Yes; I yield.

Mr. PEPPER. The Senator having observed this declaration of principles that he is about to issue and to help publicize, I wonder if he has observed the contents of it to be such that it might perhaps remain anonymous in authorship?

Mr. BURKE. In answer to the Senator from Florida, I will say that if he will take time to read this declaration of principles he will wish to withdraw the insinuation which has just come from his lips because there is nothing in the declaration which any true-blooded American citizen—which I grant the Senator from Florida to be—would not subscribe to fully, and there would be no need or occasion whatever for anonymity along the line suggested by the Senator. I say to him frankly that I should be very proud and happy if I had had the ability to put down in writing what is contained in this declaration, or this address, to the people of America.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. BURKE. Yes; I yield.

Mr. PEPPER. Has it not been the observation of the Senator, with respect to great historical documents which have had a crucial bearing upon the welfare and the liberty of the people of this country, that the authors have been glad to associate themselves publicly with the public declarations which have had such a great appeal to the people?

Mr. BURKE. I know of no reason whatever why the author or authors of this declaration of principles should not welcome the proof of their authorship, or a statement that they were the authors. I have no information on the subject other than that.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BURKE. Yes; I yield to the Senator from Indiana.

Mr. MINTON. Does not the Senator know somebody who will be the father of this waif at this glad some Christmas time?

Mr. BURKE. I shall be glad to adopt it myself and make it fully my own, if that will be any comfort to the Senator from Indiana.

Mr. MINTON. I thought perhaps the Senator, in his investigation of the matter which so challenges his interest, might know something about its parentage and might inform us, and perhaps some of us might take it in here on Christmas Eve.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Nebraska yield to the Senator from Washington?

Mr. BURKE. In a moment. I hope the Senator from Indiana at least will take occasion, during the festivities of the Christmas season, to read with, I was about to say, an open mind, or with as much of openness of mind as may be possible, all that is contained in this statement.

I now yield to the Senator from Washington.

Mr. SCHWELLENBACH. Mr. President, does not the Senator from Nebraska recognize the fact that those who are the authors of this address apparently are unwilling to make public their authorship?

Mr. BURKE. I recognize no such fact at all. I do not know that anyone heretofore has asked anything about the authorship of the document.

Mr. BAILEY. Mr. President—

Mr. BURKE. I yield to the Senator from North Carolina.

Mr. BAILEY. The intimation that the authors are unwilling to make known their connection with the statement is without foundation so far as I am concerned. I gave to the press, as soon as I could obtain a verified copy, a statement that I was one of the authors. When the Senator from Nebraska yields the floor, I am going to ask leave to read the declaration to the Senate, and to make a statement regarding it. But all intimations that somebody is afraid of it, or somebody is ashamed of it, are without the slightest founda-

tion. I will father it. I will assume the responsibility just as far as one Senator can for anything. I endorse every word in it. Now, let it stand on that.

Mr. PEPPER. Mr. President, does the Senator imply that he knows the authorship?

Mr. BAILEY. I certainly do, and there is no secret about it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BURKE. Yes; I yield.

Mr. VANDENBERG. I hesitate to intrude; but, insofar as I was associated with this undertaking in any fashion, I should like to assert that I am extremely proud of it, happy to proclaim it, and willing to pursue the program thus laid down.

Mr. ASHURST. Mr. President, a parliamentary inquiry. What is this document? [Laughter.] May it not be read? A number of us have never heard of it.

Mr. BURKE. I yielded to the Senator from Arizona for a question, and I shall be very glad to answer his question; or does the Senator wish to submit a parliamentary inquiry?

Mr. ASHURST. What is this document?

Mr. BURKE. I shall be glad to read it; but the Senator from North Carolina [Mr. BAILEY] has indicated that in his own time he will read it, and I know he can do that much better than I can; so I shall draw my remarks very quickly to a close with only this comment—

Mr. ASHURST. Mr. President, will the Senator further yield?

Mr. BURKE. I yield.

Mr. ASHURST. It was not part of my purpose to suggest that anyone should draw his remarks to a close. I rose and made my inquiry in good faith. Never having heard of this document, and I, of course, never having read it, there is sufficient curiosity in any human being to wish to know what it is about which Senators are talking. That is all I have to say.

Mr. KING. Mr. President, will the Senator yield?

Mr. ASHURST. I have not the floor.

Mr. BURKE. I yield to the Senator from Utah.

Mr. KING. I call the Senator's attention to the fact that Plato states that the beginning of wisdom is wonder, and, of course, the Senator from Florida [Mr. PEPPER] is wondering; so there is the beginning of wisdom.

Mr. BURKE. Mr. President, I have been interested in the comments made by a number of my colleagues, somewhat in a jocular vein, I know, but apparently in an attempt to divert attention from the contents of this document by raising some question about its authorship or anything else which might come to mind in reference to it. To my mind that is not the correct approach to as serious a matter as this, and if the Senator from North Carolina will read this declaration of principles, this address to the Senate, I hope these questioning and doubting Senators will remain in their seats and give very close attention to it.

Mr. AUSTIN and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. BURKE. I yield first to the Senator from Vermont.

Mr. AUSTIN. I wish to inform the Senator from Nebraska that I participated to a certain degree in the authorship of this document, and I am very happy to have done so. I hope that the effort inaugurated thereby will be continued throughout this session.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. COPELAND. I regret to say that I am not the author of the document, nor was I usefully involved in its formulation. I wish I were its author. I wish I had had some important part in writing it. I was familiar with the fact that it was under consideration and sat in the conferences where the matter was studied. In my opinion there is not a word in the document which could not be subscribed to by any American, and in my judgment if the policy outlined here were put into effect there would be an

immediate recovery of business and a degree of prosperity in the country such as we have not seen for a long time.

Mr. BURKE. Mr. President, inasmuch as the Senator from North Carolina will discuss this matter and read the statement, I will not ask unanimous consent to have it inserted in the Appendix of the RECORD, and will draw my remarks to a close by saying that 2 years ago, approximately, on the 4th of January 1936, I had occasion to give out a statement. There was no doubt as to its authorship, as it was in the form of a letter which I signed. It was called to my attention in connection with the declaration of principles we have been discussing, and I should like to read just an excerpt from my letter of January 4, 1936, in which I stated:

I have become convinced that there will be no real and permanent recovery until confidence has been restored to business and industry, so that private capital can once more seek a legitimate and proper investment. This will not come until the Federal Government gives assurance that expenditures are to be curtailed so that a beginning may be made of a reduction in the national debt. It will not come until that same Government indicates a fixed purpose that there shall be no further extension of Government competition with private industry; but, instead, a withdrawal from many activities made temporarily necessary by the emergency, but in which recovery has progressed to the point that Government operation or control is no longer necessary. Most important of all is the problem of getting workers off relief, away from made-work jobs, removed from the Government pay roll, and restored to privately conducted business and industry.

I was interested, Mr. President, in this address to the American people, because it seemed to me that in my own feeble way I had been reaching out for the same solution of some of our problems which is so hopefully and so forcefully expressed in this address to the people of the United States about which we have been talking.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. PEPPER. I appreciate the kindness of the Senator from Utah in attributing to me the quality of wonder and curiosity. I am certainly one of the uninformed and am just as desirous of our reaching the laudable objectives which have been mentioned as I am sure the Senator from Nebraska is. The dilemma under which I labor is in not knowing how specifically to reach those very praiseworthy objectives. In view of the fact that the Senator from Nebraska has appended to this declaration of principles not only his own declaration of approval but a written statement of concurrence with it, I am sure he has given a great deal of study to the declaration of principles contained in the general declaration to which he adverted, as well as in his own declaration.

Will not the Senator be good enough to do the Senate, and certainly the Senator from Florida, the favor of going specifically into the ways by which he would achieve the very splendid objectives which he has embodied in his own personal declaration and enlighten us as to how we could achieve the objectives he has enumerated, item by item, and detail by detail, giving in substance legislation which he would propose, if any new legislation, and inform us as to legislation which he would repeal, if any should be repealed to accomplish those purposes?

Mr. BURKE. Does the Senator from Florida desire to spend Christmas Day and Christmas week in the Senate, or does he wish to go to Florida?

Mr. PEPPER. The delights of Florida are so great that I am sure all Senators would wish to go to Florida, and I certainly do; but I should think that at some appropriate time, if the Senator could get to the matter in detail, it would be instructive—at least, it would be to one who needs information on the subject.

Mr. BURKE. I shall do so at the appropriate time. I thought the Senator was suggesting that I go ahead at this moment and make a beginning. But inasmuch as the query of the Senator from Florida is somewhat answered by the address to the people of the United States which the Senator from North Carolina is to present to the Senate, I will not go into the details; but at a later date I should be glad,

either privately or on the floor of the Senate, to give the Senator from Florida the benefit of any views I may have on the subject.

Mr. BAILEY obtained the floor.

Mr. BURKE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lodge	Reynolds
Andrews	Duffy	Logan	Russell
Ashurst	Ellender	Lonergan	Schwartz
Austin	Frazier	Lundeen	Schwellenbach
Bailey	George	McAdoo	Sheppard
Bankhead	Gerry	McCarran	Shipstead
Barkley	Gibson	McGill	Smith
Borah	Gillette	McKellar	Steiwer
Bridges	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Maloney	Thomas, Utah
Bulkley	Green	Miller	Townsend
Bulow	Guffey	Minton	Truman
Burke	Hale	Moore	Tydings
Byrd	Harrison	Murray	Vandenberg
Byrnes	Hatch	Neely	Van Nuys
Capper	Hayden	Norris	Wagner
Caraway	Herring	Nye	Walsh
Chavez	Hitchcock	O'Mahoney	Wheeler
Connally	Holt	Pepper	White
Copeland	Johnson, Colo.	Pittman	
Davis	King	Pope	
Dieterich	La Follette	Radcliffe	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. BAILEY. Mr. President, on the fifteenth day of November the President of the United States sent to the Congress a message in which he stated that an obvious task of the Government and of the Congress—"an obvious and immediate task," if I recall his words—was to induce the investment of private funds in business and enterprise. That statement made a profound impression upon me. It was very gratifying and heartening, and it may be recalled that a day or two later I spoke here in the Senate on the subject and undertook to express my views as to the political and civil conditions necessary to bring about the accomplishment of the obvious task to which the President had so wisely called our attention.

I had a good many conferences with Senators. They were not private conferences in any sense of secrecy, but I have always understood since I have been in the Senate that when two Senators discussed a matter neither was at any great liberty to go around and say what the other Senator had said.

In the course of the conferences I found a very gratifying number of the Senators sharing the views of the President as expressed in his message. Finally I, of my own accord, upon the encouragement that I had received from these conferences, undertook to prepare a statement of principles and objectives, still with no sense of secrecy, but not disclosing my views especially as my own, because I did not care to undertake the responsibility of making a statement on my own responsibility. I did not think I was equal to that. I thought that would be presumptuous in me.

I received in consequence a great many suggestions from Senators, and finally I did write this paper and submitted it to a number of Senators, and then I brought a good many copies into the Senate one day and gave them to Senators who were friendly to the suggestion, and gave them liberty to give the statement to any Senator with a view to receiving his suggestions, his criticisms and, if possible, his assent to a statement of principles and policies and objectives that might be very helpful to the Congress and also to the people of our country.

There was no secrecy about that either. It was intended and in contemplation that the statement should be submitted to every Senator, and every Senator should have a fair chance to make such suggestions as he pleased. If there should be something in the statement that he did not like, he would have opportunity to say so. If he wished to put something in the statement that was not there, he should have a chance to do so.

In the course of that procedure the statement was given to the press, or at least to one or two newspapermen. That did not disconcert me at all, except in one respect. I was sorry that the statement was to get into the press before it could be presented to all the Senators. But I could not prevent that, and I suspected that that might happen. I am still sorry that the statement could not be circulated among the whole Senate, to all 96 Senators, so that everyone could have a fair opportunity to make criticism and suggestions and to assent to it. But its publication was not my fault. I am not at all inclined to blame anyone for it. That is all right. In the course of matters of that sort one may well expect the newspapers to get hold of it.

I have said this in order to disabuse the minds of Senators and the American people of all thoughts of anything like a political maneuver or anything like a secret matter, or anything like the formation of a bloc, or coalition, or anything like that damnable statement which was attached to the first publication, that it had come or might come from the Liberty League, or that someone might say that the Liberty League had something to do with it.

There was no foundation for that statement. I understand those things. You can always take a thing and send it out to the American people with a tag and a discount, but if it is a good thing you need not worry about the tag.

I just now said that I was perfectly willing to assume the entire responsibility for the statement, and I shall; and I am seizing this opportunity to read it to the Senate in order that it may be carried to the American people. I feel sure they will approve it. But whether they approve it or not, I will stand on it.

In the course of this discussion some Senator may ask me who wrote this and who wrote that. I am going to tell Senators now that I am not going to say who wrote this or who wrote that. Senators may ask, "Whom did you consult?" I am not going to say whom, for the simple reason that that would be a violation of all the proprieties of the Senate. I take it that every Senator who had anything to do with this statement will be proud of it.

Let me now read the statement to see what is in it:

A sudden and extensive recession in business, industry, employment, prices, and values demands instant attention of all in positions of responsibility. To arrest it, to reverse it, and to avert its consequences is the common task. In this as Senators we have a duty, and in partial discharge of it we have determined upon this statement.

We have now not only the problem of caring for the unemployed, pending opportunity for their employment, but also the task of preventing many now employed from losing their jobs.

We believe that a policy of cooperation by all concerned upon sound lines will suffice to set the country as a whole on its accustomed way toward higher ground. This cooperation is the objective of this address to the American people. This is no time for alarm or pessimism. We have come to the inevitable period of transition, and fortunately the underlying conditions are favorable.

We are concerned now only with our duty in view of the conditions that confront us, in order that full activity of employment and commerce may be had. To avoid controversy and make for unity, we may dispense with appraisals of policies or arguments. The past is experience and is of value only for its lessons. We propose no criticism, no politics.

A CURB URGED ON SPENDING PUBLIC FUNDS

We consider that the time has come when liberal investment of private savings in enterprise as a means of employment must be depended upon and, without delay, heartily encouraged by the public policy and all Americans. Public spending, invoked in the recent emergency, was recognized as a cushion rather than as a substitute for the investment of savings by the people. To this latter all have looked at length. We believe that an encouraging public policy will ensue quickly in expanding enterprise, in active business, in widespread employment, and in abundant demand for farm products.

Without criticism of the public spending policy attendant upon the former emergency, we recognize that a repetition of that policy would not serve again, and, moreover, is out of the question. It ought to be borne in mind that private enterprise, properly fostered, carries the indispensable element of vigor. The present unemployed and employed, and the young men and women about to enter upon careers, rightly desire and must have the opportunity which is afforded only by private enterprise. The President recently informed the Congress of the instant and obvious task of inducing the investment of private funds. We perceive, as

does he, the necessity for the transition, gradual to be sure, but distinct. And we propose to do our part to accomplish this objective in full cooperation.

In order to do this we recognize that the public policy must conform to certain paramount principles and objectives, and without undertaking to specify all we submit the following as essential at this time:

1. The capital-gains tax and the undistributed-profits tax ought thoroughly to be revised at once, without reducing revenue, so as to free funds for investment and promote the normal flow of savings into profitable and productive use, not for the sake of capital but for the consequences in expanding business, larger employment, and a more active consumer demand for goods.

BUDGET MUST BE BROUGHT INTO BALANCE

2. Steady approach must be made toward a balance of the public revenue with the public expenditure, a balanced National Budget, and an end of those fears which deter investment.

The public credit must be preserved or nothing else matters. To undermine it is to defeat recovery, to destroy the people upon inflationary high living costs, and particularly to ruin those of our people who are on relief. There is nothing but a sound public credit between them and disaster, because they have no other reliance for their subsistence.

This means reduced public expenditure at every point practicable. We must have certainty of taxation and stability of the currency and of credit. Before increasing taxes or broadening the base we would exhaust the resources of an intelligent application of economy. We intend that a consistent progress toward a balanced Budget shall be made—so consistent that none may question the consummation in due season. It must be a paramount objective, since it underlies certainty, stability, and confidence.

3. We propose just relations between capital and labor, and we seek an end at once of a friction, engendered by more favorable conditions, that now serves none, but injures all. We advise that government take a hand only as a last resort; and that if it must, that it shall be impartial. We insist upon the constitutional guaranties of the rights of person and of property—the right of the worker to work, of the owner to possession, and of every man to enjoy in peace the fruits of his labor.

The maintenance of law and order is fundamental. It does labor no good to obtain new benefits if an orderly society in which to enjoy them is destroyed. Coercion and violence in labor relationships must stop, no matter by whom employed. Enlightened capital must deal with labor in the light of a new conception of legitimate collective bargaining and the right to organize. Enlightened labor must deal with capital in a due appreciation of mutual responsibilities for the success of enterprise indispensable to both.

GOVERNMENT COMPETITION IS HARMFUL

4. Relying upon the profitable investment of private savings in enterprise, we oppose every Government policy tending unnecessarily to compete with and so to discourage such investment. If the Government proposes to compete in any field, due notice ought to be given in order that private investment may avoid it. For the Government and private investment cannot occupy the same field.

We favor the principle recently suggested from the White House to the end that private funds on the basis of fair return upon prudent investment may be made available without delay.

We urge that the railroads shall enjoy an income appropriate to prudent investment value.

We favor also a constructive and encouraging attitude toward all legitimate institutions operating to assist the flow of funds into investment—with the view to a broad credit at low rates.

We favor the encouragement of housing construction, recognizing that this is also one of the larger fields for investment of private funds in durable goods—precisely the instant need.

5. We recognize that the value of investment, and the circulation of money, depends upon reasonable profit, not only to protect the investment and assure confidence but also to provide increasing employment and consumption of goods from farm and factory. We favor the competitive system as against either private or Government monopoly, as preventing unreasonable profit and demanding vigor of enterprise. Our American competitive system is superior to any form of the collectivist program. We intend to preserve and foster it as the means of employment, of livelihood, and of maintaining our standard of living.

6. The sources of credit are abundant, but credit depends upon security—the soundness and stability of values; and these are governed by the profitable operation of the concerns in which stocks are certificates of interest or in which bonds are evidences of debt. If, therefore, the reservoirs of credit are to be tapped, we must assure a policy making for the sense of the safety of the collateral which is the basis of credit.

ASSURANCE IS NEEDED OF NO HIGHER TAXES

7. The spread between the prices paid farmers and the prices paid by consumers for their products is notorious. One explanation of the difference is the fact that the amount of annual taxes, Federal, State, and local, comes to at least one-fourth of the national income. It is the price of the consumer, with the burden of taxes therein, which accounts for consumer resistance, depresses demand for goods, and tends to pile up unmarketable surpluses. There ought to be reduction in the tax burden, and if this is impossible at the moment, firm assurance of no further increase ought to be given.

8. In a country so large and so complex as ours, it is always difficult to fix uniform national standards for universal application in respect to the lives and livelihoods of our people. Except where State and local control are proven definitely inadequate, we favor the vigorous maintenance of States' rights, home rule, and local self-government. Otherwise we shall create more problems than we solve.

9. We propose that there shall be no suffering for food, fuel, clothing, and shelter; and that pending the contemplated revival of industry, useful work shall be provided to an extent consistent with the principles of this address. The deserving must be provided for when and if their resources of energy, skill, or funds cease to avail. To be done well, this must be done economically, with the view to encouraging individual self-reliance, the return to self-dependence at the first opportunity, the natural impulses of kinship and benevolence, local responsibility in county, city, and State, and without the slightest catering to political favor. The administration of relief ought to be nonpolitical and nonpartisan and temporary.

We hold to the conviction that private investment and personal initiative, properly encouraged, will provide opportunity for all who are capable, and we propose employment for all who are capable as the goal of our efforts to justify the investment of savings in productive enterprise.

10. We propose to preserve and rely upon the American system of private enterprise and initiative, and our American form of government. It is not necessary to claim perfection for them. On the record they are far superior to and infinitely to be preferred to any other so far devised. They carry the priceless content of liberty and the dignity of man. They carry spiritual values of infinite import, and which constitute the source of the American spirit. We call upon all Americans to renew their faith in them and press an invincible demand in their behalf.

SAFEGUARDING LIBERTY AND SELF-RELIANCE

We can and will erect appropriate safeguards under the common-law principles of free men without surrendering in any degree the vital principles and self-reliant spirit on which we must depend.

Our economic system must be such as to stimulate ambition, afford opportunity, and excite in each boy and girl a sense of responsibility to produce to his capacity.

Through individual self-reliance and service only can abundance, security, and happiness be attained.

Pledging ourselves to uphold these principles, we summon our fellow citizens, without regard to party, to join with us in advancing them as the only hope of permanent recovery, and further progress. They will serve to take us safely through the period of transition now suddenly thrust upon us as they have taken us through every emergency. They will not fail us, if we adhere to them. But if we shall abandon them, the consequences will far outweigh in penalty the sacrifices we may make to our faith in them.

The heart of the American people is sound. They have met every emergency and demand. We will meet those of today, and so hand down to our children our most precious heritage enhanced by a new and major trophy of free institutions. Let us not be dismayed, but press on in the great liberal tradition and in its spirit of courageous self-reliance which has won through all the vicissitudes of a great period, and has made our country the strongest, the most progressive, and the best of nations.

Mr. President, I have never seen the hour in my life when I would not have signed a statement like that, and I hope never to be able to see the hour or the day when any other American will be ashamed or afraid to sign a statement like that.

In my judgment, Mr. President, that is what this country needs and must have. Hear me a moment. I am not going to make a prolonged speech.

We have reached the period of transition in America. There is a recession. That recession is the sharpest in the entire history of the country. Starting 4 months ago, every line on the charts of business has made a precipitate descent, and Sunday's papers carried the first chart that showed a tendency to stop the decline. But where has it stopped?

The orders in the steel industry have reached the point where the figure is 28 as compared with the old figure above 100. Down in my section of the country, in the cotton-mill section, in the textile industry 60,000 workers have been turned off. That is their Christmas present. There are no orders for new goods. There is a pause in America. The President himself informs us of the recession.

I know some Senators have a little question about quoting anything from the stock exchange. The stock exchange is an exchange on which about 1,200 of the most important corporate stocks of the country are bought and sold, day after day. I look at that chart and realize that the average loss in the value of those stocks is between 40 and 50 percent

in the short space of 4 months, and the collapse of values is equal to about \$30,000,000,000.

I do not wish to alarm anybody. I am saying here that we can get out of it, but I am also saying that we cannot get out of it by borrowing public funds and spending them. I am saying we can get out of it, but we cannot do it by doing nothing. We cannot do it by twisting around or playing politics. There is a way to get out of it. There is no reason for people to lose hope. There is no reason for the country to get the jitters. Let us look at the facts as they are and, in the language of this instrument, let us arrest and avert the consequences of this recession. Let us hope it is temporary. Let us make it temporary.

Congress is the policy-forming department of the Government. We can frame the policy. The President is calling upon us to create an atmosphere favorable to the investment of funds in private enterprise. This instrument simply undertakes to show us one way. If there is a better way, if any Senator has an improvement, let him come forward with it. Let him write it into this document and I will sign it with him.

But what I want and what the country demands is a united Congress—not a group of Republicans seeking advantage, not a group of New Dealers defending and apologizing, not a group of Socialists scheming to gain power, not a group of Democrats trying to see how they will win the next election; but a group of American Senators and Members of the House of Representatives who have a sense of responsibility to their circumstances and who are willing to unite in the common task of putting employment and business and industry in this country upon a firm foundation.

Hear me, Senators. This is the transition. I am not going to say what brought on the recession. It came suddenly. I read what Mr. Eccles said. I have read in this paper what Mr. Robert Jackson said. I have read a great many documents trying to find out all about it. I do not think we have time here to appraise that just now. The recession is here. It is up to us to frame a policy, and the President of the United States has indicated to us the policy. This is not going counter to the President. This follows right down the line he indicated when he said that it is our obvious task to induce the investment of private funds in enterprise and industry.

Can we go on with the old spending idea? Can we go on with the Treasury living on forced loans, with a public debt of \$38,000,000,000? Can we go on and on and on and make a \$50,000,000,000 or \$60,000,000,000 debt, and get anywhere? I say we cannot. When we do it we will find our money will not be worth anything. I think the money can be squeezed out of the banks, but I do not think the money would have any consequence, it would be worth so little.

I do not criticize the other policy. I think it was necessary. I think in the emergency of 1932-34 it was the duty of the Federal Government to throw itself in between the people of America and the disaster which had overtaken them. But I say now that it will not work again. If we try to work it, we will run into all the consequences of an unbalanced Budget. If we were dealing with a Budget that had been unbalanced just a year or two, it would be different; but we are dealing with a Budget which has been unbalanced 7 long years. We are dealing with a situation in which the public credit is involved. We are dealing with a situation in which the borrowing of more money may destroy the value of all the money there is. We have about reached that point. We have not gotten there yet.

I rejoice in the fact that if there is one man in America who has made stronger statements for the balancing of the Budget and against inflation than any other, that man is the President of the United States. I have not always agreed with him. I have voted with him whenever I could. Whenever I thought measures were unconstitutional I regarded my loyalty to my oath as above my loyalty to my party or the President or anybody else, and have always been sorry that I had to do it. But when the President makes a fight for a

balanced Budget, when he takes his stand for stabilizing conditions, when he goes out and stands as most of us are going to have to stand, I will shed as much political blood in defense of him as any man in America. I have always looked forward to the time when I would be defending him against the men who are now proclaiming their loyalty to him.

In this transition the only way to go to it is to get off of the system of Government borrowing and into the system of private investment. Thank God, the money is here; the money can be had. All we need is to create conditions in which men will feel justified in investing the money.

Hear me about that, Mr. President. Years ago I represented a lady in North Carolina, not exactly as attorney, but rather as a friend. I never got a fee from her in my life. She had some money which she had saved by way of being a stenographer. She lost a great deal of it in the bank failures of 1929, 1930, and 1931, but she saved \$10,000 from the wreck. She is now 70 years of age. She cannot work any more. She had that \$10,000 in bonds of the Canadian Government, but the Canadian Government called those bonds 2 weeks ago. She came all the way to Washington the other day to tell me that she had \$10,000 which she wished me to invest for her safely on the basis of 4 percent. That is \$400 a year. Of course, I wished to do it. But could I?

Is there a Senator here who can take \$10,000 for a helpless woman and put it anywhere in America under these conditions with a certainty that she will get \$400 a year for it and collect the principal, or, if she gets \$400, that it will buy anything?

Suppose I told her to put it into common stock, and then a sit-down strike should occur and a crowd of trespassers should close down the plant and not let anybody work—what would become of her investment?

That is what this paper says: We must have security in property; that the owner of the property has a right to possession of it, and the worker has a right to work; and it is time for that to be said in this country.

Suppose she should put it in bonds. She would get about 2½ or 3 percent; and if we should have inflation and the Budget should stay unbalanced, the \$200 or \$300 a year would not pay her board for 30 days.

I told her to hold the money; that I was not capable of advising her how to invest it.

Of course, that is not the whole story. That is only one instance. I do not profess to know much about investments, but I am saying to the Senate that that situation exists from one end of this land to the other. There are billions of dollars available for investment; there is infinite extension of employment possible the moment the Congress of the United States creates a climate that is favorable to business and industry.

Now, hear me, Senators: Do not try to get me where anyone can state that I defend any wrongdoing. If the stock gamblers have overreached, I am in favor of fixing matters so that they cannot do so. If, as the junior Senator from Missouri [Mr. TRUMAN] says, certain corporate managers have perpetrated frauds, I am in favor of putting them in the penitentiary. This document says that we can find a remedy in the common-law principles of free men. The Senators want to know what that is. That is a thousand years of civilization, of intelligent men finding the old law, finding mischief and applying the remedy; but in order to do that it is not necessary to strike down all business. We ought rather to find the evil, and apply the remedy of the law.

I do not know what is wrong with the railroads; but if their managers have been playing ducks and drakes with them, if the financiers who have loaned money have tried to control them for selfish ends, it ought to be stopped. The same thing is true of the utilities. If they have perpetrated wrongs, we ought to find a way to stop those wrongs; but to be sure we ought to find the way so that men who are honest, and men who do have energy, and men who do have capital,

will be free to invest it, assured that the Government of State and Nation will protect the investment.

I think this thing started last spring, and I thought I saw it start. When the Senator from South Carolina [Mr. BYRNES] introduced his rider denouncing the sit-down strike I was in Raleigh. I bought my ticket within 15 minutes after I got the news from my secretary that the rider was pending, and I came here and asked the Senate to pass it—why? I am unwilling to put my money in an enterprise which other people can sit down on, and I know everybody else in America is, too. I am saying that a firm policy at that time would have brought out billions of dollars to employ people. I am saying that the American people are competent; I am saying that American businesses can expand; but I am also saying that they cannot do it when they are surrounded with an atmosphere that puts the fear of destruction in the heart of every man who is called upon to make an investment.

I am not indicting anybody. I am not criticizing anybody. I am pleading for a public policy that will encourage investment and enterprise on the part of the people in America who have money in the banks—not the great, big, rich people; there are not enough of them; it is the great masses of men who save their money here, like the little woman with only \$10,000, and still less and less, the man with \$500 and \$1,000. There was a time when people saved money in this country with the understanding that even \$500 put in a corporation would be a good investment for them.

They could get their dividends. They could get their principal. They could sell the evidence of their investment. I am saying that when we get through this transition we are going to get through it on the basis of encouraging the investment of private savings in enterprise.

Another thing: If we do not get through, I am going to tell you where we are going. We cannot have any halfway measures about this matter. Either we are going to succeed in employing the unemployed and taking care of the whole American system, its standard of living and its people, its farm prices and its welfare, on the basis of private enterprise, or we are going inevitably into collectivism. There is no halfway ground; and I am thinking Mr. President, that we have reached the period—I hate to say it—when the matter is going to be put to the test. If this depression goes on, if it is prolonged in its present terms, and the army of the unemployed continues to increase, and business and industry do not respond, and commodity values, farmers' prices of cotton and other things they produce go down and down, an atmosphere will be created in the land which will demand collectivism. So far as I am concerned, I would a great deal rather die and go on to give my account according to the deeds done in the body than to stand still and see my country going in that direction.

I know what people do when they are in distress. I know that the best of men lose their senses in distress. The most conservative man becomes the most radical, and they cry out, "Do something! Do something! We do not care what it is; we want something done!" If we do not get through this secondary depression, as we may call it, if we do not create conditions that will take us through this transition, the argument of the collectivists will be irresistible; it will be overwhelming; and I see it. I wish to stand it back. I know the answer to it is successful enterprise throughout America. I know that men in this land do not want to depend on the Government's bounty. I know that businesses do not want to live by way of the borrowed money of the Government, either.

The hearts of the boys and girls of America who are standing today on the threshold of life demand that they shall have private enterprise. I will say another word about that: Private enterprise carries with it the indispensable vigor of life and progress and government collectivism does nothing of the sort.

So, Mr. President, by way of conclusion, that I hope all the American people have seen the flower and fruition

of collectivism on the continent of Europe. I think Senators here know something of the story of Russia under Stalin, of Italy under Mussolini, and of Germany under Hitler. There is no necessity for anything of that sort happening here; and if it happens here it is going to be because the Congress of the United States is unwilling to do the simple historic things necessary to give business in America and industry in America and private investment in America a fair opportunity to meet the demands of America. Give them a chance.

I will take my seat with one word:

If there is a thing wrong in that statement, strike it out. If there is anything in it that offends you, condemn it. If you have a better paragraph, write it in. But, in God's name, do not do nothing while America drifts down to the inevitable gulf of collectivism. Stand up for the American system of enterprise and the great American principles which have made enterprise what it is. Give enterprise a chance, and I will give you the guaranties of a happy and a prosperous America.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, there is pending before the Senate a treaty which has been delayed in its consideration for several weeks. While we are waiting for the report of the Committee on Banking and Currency—which, I am informed, will complete its labors on the housing bill this afternoon—I desire that we shall have an executive session, in order that the Senator from Utah [Mr. THOMAS] may bring up the sugar treaty, in which many Senators are interested.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MURRAY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Passed Asst. Surg. James B. Ryon to be surgeon in the United States Public Health Service, to rank as such from October 14, 1937;

Passed Asst. Surg. Felix R. Brunot to be surgeon in the United States Public Health Service, to rank as such from January 27, 1938;

Senior Surg. Robert H. Heterick to be medical director in the United States Public Health Service, to rank as such from November 22, 1937; and

Asst. Dental Surg. Henry F. Canby to be passed assistant dental surgeon in the United States Public Health Service, to rank as such from November 16, 1937.

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Arthur D. Reynolds, of Minneapolis, Minn., to be collector of internal revenue for the district of Minnesota, in place of James R. Landy, removed.

Mr. BAILEY, from the Committee on Finance, reported adversely the nomination of F. Roy Yoke, of Morgantown, W. Va., to be collector of internal revenue for the district of West Virginia, in place of Walter R. Thurmond, resigned.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the nomination of Walter E. Treanor, of Indiana, to be a judge of the United States Circuit Court of Appeals for the Seventh Circuit, vice Samuel Alschuler, retired.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of the committees, the clerk will state the first order of business on the Executive Calendar.

POSTMASTERS

Mr. McKELLAR. Mr. President, I note that the first order of business is a treaty. I ask unanimous consent that at this time the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations of postmasters on the Executive Calendar are confirmed en bloc.

REGULATION OF PRODUCTION AND MARKETING OF SUGAR

The Senate, as in Committee of the Whole, proceeded to consider Executive T (75th Cong., 1st sess.), an international agreement regarding the regulation of production and marketing of sugar and an annexed protocol concerning transitional measures, signed at London on May 6, 1937, which was read the second time, as follows:

INTERNATIONAL AGREEMENT REGARDING THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR

CONTENTS

Preamble.

Chapter I. Definitions.

Chapter II. General undertakings.

Chapter III. Obligations of countries not exporting to the Free Market.

Chapter IV. Export quotas for the Free Market.

Chapter V. Stocks.

Chapter VI. Establishment of an International Sugar Council.

Chapter VII. Miscellaneous provisions.

The Governments of—

The Union of South Africa,

The Commonwealth of Australia,

Brazil,

Belgium,

The United Kingdom of Great Britain and Northern Ireland,

China,

The Republic of Cuba,

Czechoslovakia,

The Dominican Republic,

France,

Germany,

Haiti,

Hungary,

India,

The Netherlands,

Peru,

Poland,

Portugal,

The Union of Soviet Socialist Republics,

The United States of America,

Yugoslavia,

In pursuance of the recommendation of the World Monetary and Economic Conference of 1933 that negotiations should continue with a view to establishing and maintaining an orderly relationship between the supply and demand for sugar in the world market;

Considering that the present situation of the sugar market renders it both possible and necessary for the Governments concerned to collaborate to this end;

Bearing in mind the principle laid down by the above-mentioned Conference that any international agreement for the regulation of production and marketing should be equitable both to producers and consumers;

Have agreed as follows:

CHAPTER I.—DEFINITIONS

ARTICLE 1

For the purposes of the present Agreement—

(1) "Ton" means a metric ton of 1,000 kilograms.

"Long ton" means a ton of 2,240 lbs. avoirdupois.

"Short ton" means a ton of 2,000 lbs. avoirdupois.

(2) "Quota year" means the period from the 1st September to the 31st August.

(3) "Sugar" shall be deemed to include sugar in any of its commercial forms, except the product sold as final molasses, and also except the so-called "Goela Mangkok" sugar produced by primitive methods by natives of Java for their own account to which sugar the Government of the Netherlands East Indies does not extend its legislative measures.

The sugar equivalent of exports of the product known as "fancy molasses" from Barbados shall, however, be charged to the export quota of the British Colonial Empire.

The respective export quotas of sugar referred to in this Agreement shall, in the case of cane sugar producing countries, mean

and refer to the nature and the types of sugar heretofore exported by such countries; and, in the case of beet sugar producing countries, shall mean raw sugar *tel quel*, white sugars of the latter countries to be converted to a raw basis at the rate of nine parts white to ten parts raw. Such quantities shall, in all cases, mean net weight excluding the container.

(4) "Net imports" means total imports after deducting total exports.

(5) "Net exports" means total exports after deducting total imports.

(6) "Exports to the free market" shall include all net exports from the countries to which export quotas for the free market are or may be allotted under Article 19, with the exception of—

(a) exports from the Republic of Cuba to the United States of America under any import quota allotted by the United States of America to Cuba; provided that such sugar is not re-exported from the United States of America to any country except Cuba, and further provided that any sugar exported from Cuba to the United States of America under a quota allotted under paragraph (a) of Article 9 shall be included in the exports of Cuba to the free market;

(b) exports from any country to the United States of America under paragraph (c) of Article 9 of this Agreement;

(c) exports from the U. S. S. R. to Mongolia, Sin Kiang and Tannu Tuva;

(d) exports from French Colonies to France, Algeria and other French Colonies and from France to Algeria, and French Colonies;

(e) exports from the Commonwealth of the Philippines to the United States of America;

(f) sugar sent from Belgium to Luxemburg, which in virtue of the Belgo-Luxemburg Economic Union does not rank as an export.

(7) "The Council" means the International Sugar Council to be set up under the present Agreement.

CHAPTER II.—GENERAL UNDERTAKINGS

ARTICLE 2

The Contracting Governments agree that it is their policy so to direct the arrangements made under the present Agreement as always to assure consumers of an adequate supply of sugar on the world market at a reasonable price not to exceed the cost of production, including a reasonable profit, of efficient producers.

ARTICLE 3

The Contracting Governments shall take all the legislative or administrative measures necessary for the execution of the present Agreement. The texts of such measures shall be communicated to the Secretariat of the Council.

ARTICLE 4

While recognising that all Government measures relating to agrarian policy and to state assistance to the sugar industry are governed by the internal conditions of each country and in many cases require the approval of Parliament, the Contracting Governments agree that it is desirable that—

(a) If and when prices on the free market rise, all necessary steps should be taken to prevent the rise in world prices from leading on the one hand to an increase of internal prices for consumers such as would be likely to check consumption, and on the other hand to a rise of wholesale prices (beyond the level required to secure a fair return for growers and producers) to such a point as to stimulate excess production not justified by the requirements of the market, thus defeating the object of the present Agreement;

(b) In sugar exporting countries whose internal prices are not directly affected by a rise in the world price of sugar, all necessary steps should be taken to prevent the increase in the returns received from sugar production for export from causing the same difficulty by stimulating excessive and unjustified production.

ARTICLE 5

The Contracting Governments agree that, as far as possible, favourable consideration should be given to all proposals having for their object:

(a) the reduction of disproportionate fiscal burdens on sugar;

(b) the encouragement and support of all efforts to promote increased consumption of sugar in countries in which consumption is low by means of suitable publicity campaigns or by other effective means both on the national and, where considered appropriate, on the international plane;

(c) appropriate action to check the abuses resulting from the substitution for sugar of substances having no comparable food value;

(d) the search for new and alternative uses for sugar, within the framework of national activities.

ARTICLE 6

The Council shall—

(a) make a full study, acting if it considers it desirable in conjunction with appropriate international organisations such as the International Institute of Agriculture, of the various forms of state assistance in order in particular to formulate proposals for carrying out the principle laid down in Article 4, taking into account the varying conditions under which sugar production is carried on, and, in particular, the conditions of agricultural production;

(b) enquire into the effect on the free market of direct or indirect premiums granted to sugar-producing industries in general;

(c) examine the possibility of promoting between white sugar exporting countries reciprocal agreements to respect their national markets;

(d) collect available information in regard to the matters dealt with in Article 5;

(e) submit the results of inquiries made in regard to the matters dealt with in this Article for the consideration of Contracting Governments.

ARTICLE 7

The Contracting Governments undertake to supply all available statistics and information requested by the Council or the Executive Committee and to comply with any other reasonable request made by those bodies within the scope and provisions of the present Agreement.

CHAPTER III.—OBLIGATIONS OF COUNTRIES NOT EXPORTING TO THE FREE MARKET

ARTICLE 8

In order to contribute, so far as they are each concerned, to the maintenance and if possible the expansion of the free market for sugar the Governments hereinafter specified accept for the period of the present Agreement the specific obligations set forth in the succeeding Articles of this Chapter.

ARTICLE 9

(a) The Government of the United States undertakes, with respect to the United States, its territories and possessions, except the Commonwealth of the Philippines, to permit during each calendar year a net importation from foreign countries not enjoying preferential duty rates (i. e., the quantity by which imports from such countries exceed total exports to the world market, it being understood that supplies from the Commonwealth of the Philippines and re-exports of Cuban sugar from the United States are not to be included in reckoning net importation) of a quantity of sugar which shall be a proportion of the quantity needed to meet the requirements of consumers in continental United States at least equal to the proportion allotted to such foreign countries during the calendar year 1937 in accordance with General Sugar Quota Regulations, Series 4, No. 1, issued by the United States Department of Agriculture on the 12th December 1936. If the quota of the Commonwealth of the Philippines should be reduced below an amount equal to 800,000 long tons of unrefined sugar plus 50,000 long tons of refined sugar, the Government of the United States further undertakes to permit a net importation (as defined above) from foreign countries of a net quantity of sugar equal to the amount of such reduction.

(b) Furthermore, in the allocation of import quotas to foreign countries as provided above, the Government of the United States undertakes that the percentage so allotted to countries parties to the present Agreement shall not in the aggregate be less than the percentage allotted to those countries at the time of the signature of the Agreement.

(c) The Government of the United States reserves the right to increase the net imports of sugar (as defined above) from foreign countries not enjoying preferential duty rates over and above the minimum import quotas to be allocated to them under the provisions of paragraphs (a) and (b) above, such excess not to be chargeable to the export quotas of such foreign countries and not to be included in reckoning the net importation for the purposes of paragraph (a).

ARTICLE 10

(a) The Government of the Commonwealth of the Philippines undertakes, so long as the United States maintains a quota for Philippine sugar of not less than an amount equal to 800,000 long tons of unrefined sugar plus 50,000 long tons of refined sugar per calendar year, not to export sugar to countries other than the United States, its territories and possessions, until additional export quotas are allotted under Article 20 of the present Agreement. In the event of such additional quotas being allotted, the Commonwealth of the Philippines will be entitled to export to the free market during the period for which such additional quotas are in force an amount equal to 4 per cent of the aggregate of such additional quotas.

(b) In the event of a reduction in the quota for Philippine sugar for importation into the United States below a quantity equal to 800,000 long tons of unrefined sugar plus 50,000 long tons of refined sugar per calendar year, the Commonwealth of the Philippines shall be allotted a basic export quota for the free market equal to the quantity by which such quota in the United States is reduced plus the 4 per cent above mentioned.

(c) The Government of the Commonwealth of the Philippines will not claim any quota for export to the free market because of any change which may take place during the period of the present Agreement in the tariff conditions under which Philippine sugar is admitted into the United States, and in return the Contracting Governments agree not to claim, in virtue of any most-favoured-nation rights granted to them by the Government of the United States, the benefit of any advantages with respect to sugar which may be accorded to, or agreed upon with, the Philippines by the Government of the United States during the period of the present Agreement.

ARTICLE 11

The Government of the United Kingdom undertakes, subject to the provisions of Article 14 below—

(a) To maintain in operation during the period of the present Agreement those provisions of the Sugar Industry (Reorganization) Act, 1936, designed to limit the annual production of sugar in Great Britain to a standard quantity of 560,000 long tons of white sugar (i. e., approximately 618,000 metric tons raw value).

(b) That during the period of the present Agreement the total exports from the British Colonial Empire shall be limited to a basic figure of 965,254 metric tons per quota year.

ARTICLE 12

The Government of the Commonwealth of Australia undertakes, subject to the provisions of Article 14 below, to limit exports from Australia to a basic figure of 406,423 metric tons per quota year during the period of the present Agreement.

ARTICLE 13

The Government of the Union of South Africa undertakes, subject to the provisions of Article 14 below, to limit exports from the Union to a basic figure of 209,000 metric tons per quota year during the period of the present Agreement.

ARTICLE 14

(a) The Government of the United Kingdom, the Government of the Commonwealth of Australia and the Government of the Union of South Africa reserve the right respectively to increase the standard quantity for production in Great Britain and the basic quotas for exports of the Colonial Empire, Australia and South Africa, specified above, proportionately to any increase in requirements over and above the consumption requirements for the year ending the 31st August, 1937, of the United Kingdom plus the aggregate of the net import requirements for that year of each of the other parts of the British Empire.

Provided that there shall be reserved for exporters to the free market a percentage of the increase so calculated not less than the percentage of the aforesaid requirements supplied by the exporters to the free market in the year ending on the 31st August, 1937.

(b) The Governments of the United Kingdom, the Commonwealth of Australia and the Union of South Africa, in consultation with the Council, shall determine before the commencement of each quota year the estimated amount of the increase in requirements as aforesaid for that year, and the said Governments will thereupon notify the Council what amount of such estimated increase will be added to the standard quantity referred to in Article 11 (a) above or the export quotas referred to in Articles 11 (b), 12, and 13 as the case may be, and what amount will be available for exporters to the free market.

(c) The Governments of the Commonwealth of Australia and of the Union of South Africa agree not to claim any increase of their basic quotas, as fixed in Articles 12 and 13 respectively, in the year commencing the 1st September, 1937, without prejudice to their rights to their full share in the increase in future years of the aforesaid requirements as compared with the year ending the 31st August, 1937, and their shares of the increase of requirements in the year commencing the 1st September, 1937, shall be made available for exporters to the free market.

(d) If in any year the actual increase of requirements calculated as aforesaid exceeds or falls short of the estimate made as provided in paragraph (b) of this Article, a correction shall if necessary be made by deduction from or addition to the quotas for the next succeeding year.

ARTICLE 15

The provisions of Articles 22, 23, and 25 shall apply to the export quotas fixed by Articles 11, 12, and 13 above, and these quotas shall also be subject to the rules of paragraph (a) of Article 24 regarding notification of inability to utilise quotas, in the same way as if the said quotas were quotas for export to the free market. In the event of such notification of inability to utilise quotas the parts not to be utilised may be redistributed among the other territories referred to in Articles 11, 12, and 13.

ARTICLE 16

(a) The Government of India undertakes to prohibit exports of sugar by sea elsewhere than to Burma during the period of the present Agreement.

(b) In the event of re-export of Indian sugar by sea from Burma rendering the Government of India's contribution to the present Agreement ineffective, the Government of India will take up the matter with the Government of Burma with a view to reaching arrangements which will render the Government of India's contribution effective.

ARTICLE 17

The Government of China will use its best endeavours, so far as circumstances permit, to the end that the sugar import requirements of the Chinese market shall not decrease during the period of the present Agreement.

ARTICLE 18

The Government of the Netherlands, in respect of its territory in Europe, undertakes to refrain from net exports of sugar; it reserves the right to cover the requirements of its home market by its home production and imports from other parts of the Kingdom.

The Government of the Netherlands, in respect of Netherlands Guiana, undertakes to refrain from net exports of sugar to countries outside the Kingdom of the Netherlands.

CHAPTER IV.—EXPORT QUOTAS FOR THE FREE MARKET

ARTICLE 19

(a) The Contracting Governments shall have the basic export quotas for the free market which are set out below:

Basic quota (metric tons)

Country:	
Belgium (including Belgian Congo)-----	20,000
Brazil-----	60,000
Cuba-----	940,000
Czechoslovakia-----	1250,000
Dominican Republic-----	400,000
Germany-----	120,000
Haiti-----	32,500
Hungary-----	40,000
Netherlands (including overseas territories)-----	1,050,000
Portugal (including overseas possessions)-----	30,000
Peru-----	330,000
Poland-----	120,000
Union of Soviet Socialist Republics (excluding exports to Mongolia, Tannu Tuva, and Sin-Kiang)-----	230,000
Total-----	3,622,500

¹ Czechoslovakia will receive the following extra allotments:

Year beginning—

September 1, 1937: 90,000 metric tons.

September 1, 1938: 60,000 metric tons.

September 1, 1939: 25,000 metric tons.

It being understood that Czechoslovakia will take steps to reduce its acreage to correspond to those figures.

(b) It is further provided that 47,500 tons for the free market shall be placed in reserve. This reserve quota, if needed, will be at the disposal of those Governments which, while they have no separate quotas, have before signing the present Agreement taken measures to balance their production and consumption, and have not been habitual exporters, in order that they may be able in any particular year to export an unexpected surplus of output.

Yugoslavia shall in any case have a claim on the reserve up to 12,500 tons during each year of the Agreement.

France will be entitled to place upon the free market a possible surplus of production, whether home or colonial, up to the balance of the reserve after deducting any amount utilised by Yugoslavia.

If in any year France does not utilise the balance of the reserve after deducting the amount of 12,500 tons available for Yugoslavia, the exports of Yugoslavia may be increased up to a maximum of 15,000 tons.

(c) If there shall be allotted to the Commonwealth of the Philippines, under the provisions of Article 10, a basic export quota, that quota shall be subject in all respects to the same provisions as the export quotas set out in paragraph (a) of this Article.

(d) In the event of a non-signatory Government according to the present Agreement in accordance with Article 49 a basic export quota may be assigned to it in agreement with the said Government by the Council acting by unanimity of the votes cast.

ARTICLE 20

If the Council shall at any time decide by three-fifths of the votes cast that, having regard to the requirements of the market, additional supplies are desirable, it shall allot additional quotas to all the countries concerned for such period (not exceeding one year) as it may decide, the additional quotas for each country being proportional to the basic quota of that country. The Council shall at the same time make a corresponding proportionate increase in the reserve quota. Yugoslavia shall have a claim on such increase in the reserve quota proportionate to its claim on the original amount of the reserve. Furthermore, the Council shall, in accordance with Article 10, allot to the Commonwealth of the Philippines an export quota equal to 4 per cent. of the aggregate of the additional quotas allotted, including the increase in the reserve quota.

ARTICLE 21

(a) The Council shall be empowered for the year beginning the 1st September, 1937, and/or the year beginning the 1st September, 1938, to reduce export quotas by a uniform percentage not exceeding 5 per cent. if, after a survey of the probable requirements of the market for the year in question, it decides that such reduction is necessary. For this purpose export quotas shall be deemed to be the basic quotas after deducting any part of such quotas released under Article 24 (a) or adding any special allocations made under Article 24 (b) for the years in question.

(b) In subsequent years, it shall be open to the Council to recommend at any time whether, and to what extent, a reduction would be desirable, but such reduction shall come into force only if all the members of the Council representing countries entitled to basic quotas or to participation in the reserve, consent to it.

ARTICLE 22

Each Contracting Government to which an export quota has been or may be allotted undertakes to ensure that net exports from its territories to the free market for any given quota year

shall not exceed the export quota in force for it in that year under the provisions of the present Agreement.

ARTICLE 23

If in any year of the Agreement a Contracting Government should not export its quota or any part of it, it shall not thereby acquire any right to an increase of its quota in the following year.

Nevertheless, if the Government of Czechoslovakia proves to the satisfaction of the Executive Committee that, owing to a low or high water level or the presence of ice on the Elbe, Czechoslovakia has been unable to export her full quota in any quota year, the Czechoslovak Government may be permitted to export the deficiency during the first three months of the next quota year, in addition to her quota for that year.

ARTICLE 24

(a) Each Contracting Government shall notify the Council, as soon as possible, if it does not propose to make use of its export quota, or any part of it, in any quota year, so that the quantities which will not be used may be redistributed (i) among the other Contracting Governments which notify the Council that they are in a position to use them and (ii) to the reserve quota. Subject to paragraph (b) below, this redistribution shall be made pro rata according to the basic quotas.

(b) The Council shall in any given quota year have power to use up to 25 per cent of the quotas available for redistribution or up to 50,000 metric tons of such quotas, whichever shall be the larger amount, to meet proved cases of special hardship. Nevertheless, if in a particular year the amount available for redistribution should be less than 30,000 tons, the Council shall have power, should a proved case of special hardship arise, to allot to meet the necessities of that case an amount up to 30,000 tons. The excess of this amount over the amount available for redistribution shall constitute an increase of the supplies to the free market and the quotas of other Contracting Governments shall not be affected.

(c) The Governments of the following countries have given notice that during the quota year beginning on the 1st September 1937, they will not make use of the parts of their export quotas herein indicated:

	Tons
Belgium	5,000
Germany	70,000
Hungary	20,000
Poland	20,000
U. S. S. R.	11,500

The French Government has given notice that during the above-mentioned quota year the reserve quota may be reduced by 22,500 tons.

ARTICLE 25

Neither the basic quotas nor the export quotas for a particular year nor any additional quotas may be ceded by one Contracting Government to another.

CHAPTER V.—STOCKS

ARTICLE 26

(a) While the Contracting Governments fully realise that due regard must be had to the necessity of maintaining adequate reserve supplies to meet unexpected demands, they agree that it is undesirable that excessive stocks of sugar which would weigh on the market should be accumulated in their respective countries.

(b) Those Contracting Governments to which export quotas have been or may be allotted under the present Agreement, undertake so to regulate their production that the stocks in their respective countries shall not exceed, for each country, on a fixed date in each year to be agreed with the Council, an amount equal to 25 per cent. of its annual production.

(c) Nevertheless, the Council may if it considers that such action is justified by special circumstances allot to any country a stock in excess of 25 per cent. of its production.

(d) On account of its special situation in connection with exports to the United States and the requirements of Contract No. 4 on the New York Sugar Exchange, the Republic of Cuba may have at the end of each calendar year as stocks (1) for the United States an amount not to exceed 30 per cent. of its export quota to that country, (2) for the free market, an amount not to exceed 300,000 metric tons, provided that a system of control is maintained by the Government of the Republic of Cuba, by means of identity certificates or otherwise, which ensures that such stocks are used for those purposes.

(e) Having regard to the special conditions of production in the Netherlands East Indies, that territory shall be permitted to have a stock not exceeding 500,000 tons on the 1st April in each year.

(f) Hungary shall be permitted to have a stock of 30 per cent. of its annual production.

ARTICLE 27

Those Contracting Governments to which free market export quotas have been allotted agree in respect of their cane producing territories to regulate sugar production in those territories, unless prevented from doing so by drought, flood, or other adverse conditions, so that stocks shall equal, on a fixed date in each year to be agreed with the Council, an amount not less than 10 per cent.

of their respective export quotas for such year, provided nothing in this Article shall be construed as requiring any country to produce in excess of its basic export quota specified in Article 19 during either of the years 1937-38 or 1938-39.

ARTICLE 28

The Council shall in due course determine what shall be regarded as "stocks" of sugar for the purpose of Articles 26 and 27.

CHAPTER VI.—ESTABLISHMENT OF AN INTERNATIONAL SUGAR COUNCIL

ARTICLE 29

The present Agreement shall be under the administration of—
(a) A General Council, which shall be known as the International Sugar Council, and shall be composed of delegates representing the Contracting Governments.

(b) An Executive Committee of nine members.

ARTICLE 30

The seat of the Council and of the Executive Committee shall be in London.

ARTICLE 31

Each Contracting Government shall appoint a delegation to the Council. Each delegation shall consist of not more than three members and its composition may be changed by giving formal notice to the Chairman of the Council. Each delegation may be accompanied by not more than three advisers. Each delegation shall appoint one of its members to cast the vote of the delegation.

ARTICLE 32

The Council shall elect from amongst its members a Chairman and a Vice-Chairman who shall hold office for such period as it may determine.

ARTICLE 33

The Council shall have the following powers and duties:
(a) The general administration of the present Agreement, without prejudice to the powers which the Agreement gives to the Executive Committee;

(b) To elect its Chairman and Vice-Chairman and any other officers that it may consider necessary, determine their powers and duties, and fix their terms of office;

(c) To estimate, at least twenty days before the beginning of each quota year, the requirements of consumption of the free market for that year;

(d) To appoint such permanent or temporary committees as it considers advisable for the proper working and administration of the present Agreement, and to determine their functions and duties;

(e) To approve the annual budget of expenses and fix the amounts to be contributed by each Contracting Government in accordance with the principles laid down in Article 35;

(f) To obtain such statistics and other data as it considers necessary for the execution of the present Agreement, and to publish such information as it may consider desirable;

(g) To endeavour to secure the accession of non-signatory Governments whose participation it considers desirable;

(h) In general, to exercise all the powers which may be necessary to carry out the present Agreement.

ARTICLE 34

The Council shall appoint a Secretary and take all other necessary measures to establish a Secretariat which shall be entirely free and independent of any other national or international organisation or institution.

ARTICLE 35

The expenses of delegations to the Council and of the Members of the Executive Committee shall be defrayed by their respective Governments. All other expenses necessary for the administration of the present Agreement, including those of the Secretariat, shall be met by annual contributions of the Contracting Governments made in such manner and at such times as the Council shall determine, and shall not, except with the express consent of all the Contracting Governments, exceed £12,500 in any year. The contribution of each Government shall be proportionate to the number of votes to which its delegation is entitled.

ARTICLE 36

(a) The Council shall meet at least once a year. It may be convened at any time by its Chairman. The Chairman shall immediately convene a meeting of the Council if either the Executive Committee or five Contracting Governments so request. Notice of all meetings shall be despatched so as to ensure receipt by the Contracting Governments at least twenty days in advance of the date fixed for the meeting.

(b) The necessary quorum for a meeting of the Council shall be secured if not less than one-third of the Contracting Governments are represented. One or more Contracting Governments may by a written notification to the Chairman appoint the delegation of another Contracting Government to represent them and to vote on their behalf at any meeting of the Council.

(c) The Council may take decisions without holding a meeting, by correspondence between the Chairman and the delegations of the Contracting Governments, provided that no delegation makes objection to this procedure. Any decision so taken shall be communicated to all the delegations as soon as possible, and shall be set forth in the Minutes of the next meeting of the Council.

ARTICLE 37

(a) The votes to be exercised by the respective delegations on the Council shall be as follows:

Exporting countries:

Union of South Africa	2
Australia	3
Belgium	1
Brazil	2
Cuba	10
Czechoslovakia	3
Dominican Republic	3
France	3
Germany	4
Haiti	1
Hungary	1
Netherlands	9
Peru	3
Philippines	1
Poland	2
Portugal	1
U. S. S. R.	5
Yugoslavia	1

Total 55

Importing countries:

China	5
India	6
United Kingdom	17
United States	17

Total 100

(b) In the event of a non-signatory Government acceding to the present Agreement in accordance with the provisions of Article 49 the Council shall decide what number of votes shall be allotted to that Government.

(c) In the event of any Government in the group either of exporting countries or of importing countries failing to ratify the Agreement or subsequently withdrawing from it, the votes allotted to the delegation of that Government shall be redistributed, pro rata, between the other countries in the same group, and if any non-signatory Government should accede to the Agreement, the votes allotted to it shall be deducted pro rata from the other countries in the same group, so that the proportion of 55 votes for the exporting countries and 45 votes for the importing countries shall be maintained. For the purposes of this paragraph any acceding Government to which an export quota is not allotted shall be included as an importing country.

ARTICLE 38

Except where otherwise provided, decisions of the Council shall be taken by a simple majority of the votes of the Contracting Governments represented at the meeting.

ARTICLE 39

(a) The Executive Committee shall consist of—

(i) Three representatives of Governments of importing countries;

(ii) Three representatives of Governments of cane sugar producing countries;

(iii) Three representatives of Governments of beet sugar producing countries.

(b) The representatives of the above-mentioned groups of countries shall, subject to the provisions of paragraph (c) of this Article, be as follows:

(i) For the importing countries the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America shall be represented for the whole period of the Agreement, and the Governments of the other countries referred to as importing countries in Article 37 shall select annually one of their number, who shall appoint the third member for this group.

(ii) For the cane sugar producing countries the Government of the Republic of Cuba and the Government of the Netherlands shall be represented for the whole period of the Agreement, and the Governments of the following countries shall be represented for the years indicated:

Year commencing—

September 1, 1937: The Commonwealth of Australia.
September 1, 1938: The Dominican Republic.
September 1, 1939: Peru.
September 1, 1940: The Union of South Africa.
September 1, 1941: Brazil.

(iii) For the beet sugar producing countries the Governments of the following countries shall be represented for the periods indicated:

Year commencing—

September 1, 1937: Czechoslovakia, Germany, the U. S. S. R.
September 1, 1938: Czechoslovakia, Germany, the U. S. S. R.
September 1, 1939: Czechoslovakia, France, Poland.
September 1, 1940: Belgium, Germany, the U. S. S. R.

Six months commencing September 1, 1941: France, Hungary, Poland.

Six months commencing March 1, 1942: France, Poland, Yugoslavia.

(c) The Chairman of the Council shall ex officio be a member of the Executive Committee and during his term of office the Gov-

ernment of which he is a representative shall not be entitled to appoint any further representative on the Executive Committee under paragraph (b) of this Article.

ARTICLE 40

The Executive Committee shall exercise any powers which the Council may delegate to it except—

(1) the power of reducing quotas under Article 21;

(2) the power of allotting additional quotas under Article 20;

(3) the power of determining the conditions on which any non-signatory Government may accede to the Agreement under Article 49;

(4) the powers to be exercised under Articles 44 and 51.

ARTICLE 41

Whenever the Executive Committee considers that the export quotas fixed for a quota year are not sufficient to cover the requirements of consumption or that a sudden and excessive rise of price is probable, it shall make to the Council by telegraph such recommendations as it thinks necessary for the release of additional quotas under Article 20 and shall request a decision by telegraph. If approval of the recommendations is not given by telegraph within five days by delegations exercising the necessary majority of votes provided for in Article 20, the Chairman shall immediately summon a meeting of the Council.

ARTICLE 42

(a) The Executive Committee shall meet whenever its Chairman considers it advisable or whenever the request is made by any two members.

(b) The presence of five members shall be necessary to constitute a quorum. Decisions shall be taken by a majority of the votes cast.

(c) Each member of the Executive Committee shall have one vote with the exception of the representatives of the Governments of the United States of America and of the United Kingdom, who shall have two votes each.

(d) The Chairman of the Committee shall have a deciding vote in case of equality of votes.

(e) Any member of the Committee may, by notification in writing, appoint another member to represent him and vote in his behalf.

CHAPTER VII.—MISCELLANEOUS PROVISIONS

ARTICLE 43

The present Agreement shall apply to all the territories of each of the Contracting Governments including colonies, oversea territories, protectorates, and territories under suzerainty or mandate.

ARTICLE 44

(a) If any Contracting Government alleges that any other Contracting Government has failed to comply with the obligations of the present Agreement a special meeting of the Council shall be called to decide whether any infringement of the Agreement has taken place, and, if so, what measures shall be recommended to the Contracting Governments in view of the infringement. If the Council shall decide that it is desirable that the other Contracting Governments shall prohibit or restrict the import of sugar from the country which has infringed the Agreement, the taking of such measures shall not be deemed to be contrary to any most-favoured-nation rights which the offending Government may enjoy.

(b) Any decision of the Council under this Article shall be taken by three-fourths of the votes cast.

ARTICLE 45

If during the period of the present Agreement it should be considered or should be shown that the attainment of its objects was being hindered by countries not party thereto, a special meeting of the Council shall be called to decide what measures should be recommended to the Contracting Governments.

ARTICLE 46

Should the Council at any time be satisfied that, as the result of a material increase in the exportation or use of sugar syrups, liquid sugar, edible molasses, or any other kind of sugar mixtures, those products are taking the place of sugar to such an extent as to prevent full effect being given to the purposes of the present Agreement, it may resolve that such products or any of them shall be deemed to be sugar, in respect of their sugar content, for the purposes of the Agreement; provided that the Council shall, for the purpose of calculating the amount of sugar to be charged to the export quota of any country, exclude the sugar equivalent of any quality of such products which has normally been exported from that country prior to the coming into force of the Agreement.

ARTICLE 47

The present Agreement shall be ratified and the instruments of ratification shall be deposited as soon as possible with the Government of the United Kingdom of Great Britain and Northern Ireland, which will notify the fact of each deposit to the Governments which have signed the Agreement.

ARTICLE 48

(a) The present Agreement shall come into force on the 1st September, 1937, if at that date it has been ratified by all the signatory Governments.

(b) If by the above-mentioned date the instruments of ratification of all the signatories have not been deposited, the Governments which have ratified the Agreement may decide to put it into force among themselves.

ARTICLE 49

(a) The present Agreement shall, until the 30th June, 1937, remain open for signature on the part of any Government represented at the Conference at which the Agreement has been drawn up. The right to effect such signature after this day's date shall be dependent on the signatory Government also signing the Protocol attached hereto.

(b) The present Agreement shall at any time after its entry into force be open to accession by the Government of any metropolitan territory other than a Government which has signed the Agreement, provided that the conditions of such accession shall first be agreed upon with the Council by the Government desiring to effect it.

ARTICLE 50

(a) Subject to the provisions of Article 51, the present Agreement shall remain in force for a period of five years from the date of its entry into force and shall not be subject to denunciation.

(b) The Contracting Governments shall decide at least six months before the expiration of the present Agreement whether it shall be continued for a further period and, if so, on what terms. In the event of unanimity not being attained the Governments which desire to maintain the Agreement shall be entitled to do so as between themselves.

ARTICLE 51

The Contracting Governments shall have the right to withdraw from the Agreement in the following circumstances and subject to the following conditions:

(a) Any Contracting Government may, if it becomes involved in hostilities, apply for the suspension of its obligations under the Agreement. If the application is denied such Government may give notice of withdrawal from the Agreement.

(b) If any Contracting Government into whose territories there is a net import of sugar shall allege that, owing to the operation of the present Agreement, there is an acute shortage of supplies or an abnormal rise in world prices, it may request the Council to take measures to remedy such situation, and if the Council declines to do so the Government concerned may give notice of withdrawal from the Agreement.

(c) If, during the period of the present Agreement, by the action of any country (whether the Agreement applies to it or not) such adverse changes occur in the relation between supply and demand on the free market as may substantially diminish the market possibilities of the suppliers of that free market, any Contracting Government affected may state its case to the Council. If the Council does not agree that the complaint of that Government is well-founded, that Government shall have the right to submit the case to the judgment of three arbitrators, subjects of countries not parties to the Agreement, to be nominated by the Council at its first meeting after the entry into force of the Agreement. If either the Council or the arbitrators declare the case to be well-founded the Government concerned may give notice of withdrawal from the Agreement.

(d) The Council shall take a decision within sixty days on any matters submitted to it in accordance with the preceding paragraphs of this Article; failure to do so within that time shall give the Government which has submitted the matter to the Council the right to give notice of withdrawal from the Agreement.

(e) In the event of any Government giving notice of withdrawal from the Agreement in accordance with the provisions of this Article, any of the other Contracting Governments shall have the right at any time during the ensuing three months also to give notice of withdrawal.

(f) All notices of withdrawal given under this Article shall be sent to the Government of the United Kingdom of Great Britain and Northern Ireland, by whom they will be communicated to all the other Contracting Governments and to the Council; and withdrawal shall take effect three months after the date of receipt of such notice by the Government of the United Kingdom.

(g) Any decision taken by the Council under this Article shall require three-fourths of the votes cast.

In faith whereof the undersigned, duly authorised thereto, have signed the present Agreement.

Done in London this sixth day of May, One thousand nine hundred and thirty-seven. In accordance with the procedure followed by the World Monetary and Economic Conference, in continuation of which the International Sugar Conference was called, the present Agreement has been prepared in the French and English languages. It will also be drawn up in German and Russian. The four texts shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, by whom certified copies will be communicated to all the signatory Governments, the four texts being equally authentic.

Pending the signature of the other texts, the signatures appended to the English text shall take effect as from to-day.

For the Government of the Union of South Africa:

C. T. TE WATER.

F. J. DU TOIT.

For the Government of the Commonwealth of Australia:

R. G. CASEY.

S. M. BRUCE.

For the Government of Belgium:

LUC. BEAUDUIN.

For the Government of Brazil:

DECIO COIMBRA.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

J. RAMSAY MACDONALD.

For the Government of China:

QUO TAI-CHI.

For the Government of the Republic of Cuba:

J. GOMEZ M.

AURELIO PORTUONDO.

E. H. FARRÉS.

ARTURO MAÑAS.

For the Government of Czechoslovakia:

JAN MASARYK.

For the Government of the Dominican Republic:

R. P. PICHARDO.

For the Government of France:

CH. SPINASSE.

For the Government of Germany:

JOACHIM V. RIEBENTROP.

DR. ALFONS MORITZ.

LUDWIG SCHUSTER.

For the Government of Haiti:

LÉON DEFLY.

For the Government of Hungary:

CONSTANTIN DE MASIREVICH.

DR. G. VINNAY.

For the Government of India:

D. B. MEEK.

For the Government of the Netherlands:

J. VAN GELDEREN.

For the Government of Peru:

FELIPE PARDO.

J. CHAMOT.

ALFREDO FERREYROS.

For the Government of Poland:

The Delegation of the Government of Poland, which is in charge of the foreign affairs of the Free City of Danzig in virtue of existing treaties, reserves the right, on behalf of the Government of Poland, to accede at a later date on behalf of the Free City of Danzig.

EDWARD RACZYNSKI.

For the Government of Portugal:

LUIZ FERREIRE DE CASTRO.

For the Government of the Union of Soviet Socialist Republics:

It is understood that, in view of the fact that the U. S. S. R. is a State governed on a planned principle, Chapter 5 of the Agreement dealing with stocks and all the other Articles in the various Chapters of this Agreement which in any manner refer to internal production do not apply to the U. S. S. R.

N. BOGOMOLOV.

For the Government of the United States of America:

NORMAN H. DAVIS.

I am instructed by my Government to state that, in the event that its existing legislation imposing quotas upon the importation and marketing of sugar lapses within the life of this Agreement, it will be its policy to maintain its tariff on full duty sugar at no higher rate than that now existing.

(In respect of the Commonwealth of the Philippines):

URBANO A. ZAFRA.

For the Government of Yugoslavia:

V. MILANOVITCH.

PROTOCOL ANNEXED TO THE AGREEMENT

1. At the moment of signing the Agreement regarding the Regulation of the Production and Marketing of Sugar of to-day's date, the signatory Governments agree that the Government of the United Kingdom of Great Britain and Northern Ireland shall take between this date and the assumption of its duties by the Provisional Council referred to below any steps necessary as transitional measures, including the convening of the first session of the said Provisional Council, which shall be held in London as soon as possible, the preparation of the agenda for that session, and the making of all necessary arrangements.

2. The said Governments agree to appoint, as soon as possible, representatives who shall constitute a Provisional Council, which shall exercise all the functions of the International Sugar Council to be set up under that Agreement, and which shall be subject in all respects to the provisions of Chapter VI of the said Agreement, provided that no decisions of such a Provisional Council shall be binding on the signatory Governments prior to the coming into force of the Agreement.

3. Within a period of forty days from the date of its signature of the Agreement, each signatory Government will communicate to the Government of the United Kingdom a statement as to its position in regard to ratification.

4. If any Government is unable for constitutional reasons to obtain the necessary parliamentary authority for ratification before the 1st September 1937, the signatory Governments agree to accept provisionally as equivalent to ratification for the purposes of bringing the Agreement into force on that date a declaration by that Government that it will provisionally accept the obligations of the Agreement as from that date and will ratify it as soon as possible. Should the ratification of such Government not be deposited before the 1st January 1938, the Contracting Governments shall have the right to decide whether or not the Agreement is to be maintained in force.

5. Each signatory Government undertakes to ensure that so far as its territories are concerned the situation as regards production

export, and import of sugar shall not be modified in a manner contrary to the aims of the Agreement during the period between the date of its signature and the date of entry into force of the Agreement. Any infringement of this undertaking shall be equivalent to a violation of the Agreement.

6. The signatory Governments take note of the following declaration, which was made to the Conference by the delegate of the Government of Canada:

"I desire to make a brief statement regarding the position of the Government of Canada. After an examination of the Convention, necessarily hurried, the Government of Canada regret that they have not found it possible to authorize signature at the present time. They are, of course, sympathetic with the aim of the Conference of averting uneconomic production, but the position of Canada at this Conference as an importer and consumer of sugar is so different from that of almost all the other countries represented that they desire a further period of time to study the effect of the specific proposals of the Convention on that position; and in the light of that study to decide whether it would be possible to accede later. At the same time, the Government of Canada reiterate the assurance already given that they do not propose to stimulate the production of sugar in Canada during the term of this agreement by subsidy, increased protection, special remission of taxes, or by any other similar measures."

7. The present Protocol shall enter into force for each signatory Government on the date of signature.

In faith whereof the undersigned, duly authorized thereto, have signed the present Protocol.

Done in London this sixth day of May, Nineteen hundred and thirty-seven. In accordance with the procedure followed by the World Monetary and Economic Conference, in continuation of which the International Sugar Conference was called, the present Agreement has been prepared in the French and English languages. It will also be drawn up in German and Russian. The four texts shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, by whom certified copies will be communicated to all the signatory Governments, the four texts being equally authentic.

Pending the signature of the other texts, the signatures appended to the English text shall take effect as from to-day.

For the Government of the Union of South Africa:

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J. RAMSAY MACDONALD.

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For the Government of the Republic of Cuba:

J. GOMEZ M.

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JOACHIM V. RIEBENTROP.

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LEON DEFLY.

For the Government of Hungary:

CONSTANTIN DE MASIREVICH.

DR. G. VINNAY.

For the Government of India:

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For the Government of the Netherlands:

J. VAN GELDEREN.

For the Government of Peru:

FELIPE PARDO.

J. CHAMOT.

ALFREDO FERREYROS.

For the Government of Poland:

EDWARD RACZYNSKI.

For the Government of Portugal:

LUIZ FERREIRA DE CASTRO.

For the Government of the Union of Soviet Socialist Republics:

N. BOGOMOLOV.

For the Government of the United States of America:

NORMAN H. DAVIS.

(In respect of the Commonwealth of the Philippines):

URBANO A. ZAFRA.

For the Government of Yugoslavia:

V. MILANOVITCH.

Mr. THOMAS of Utah. Mr. President, when the President submitted this treaty to the Senate of the United States it was considered by the Committee on Foreign Relations and the committee decided that it was best that the treaty be not ratified until after the then pending Sugar Act of 1937 had become law.

The reason for that decision was a simple one. The Jones-Costigan Sugar Act was about to expire, the new Sugar Act of 1937 had not come into being, and the international sugar agreement, the treaty which we are to consider today, was based upon the theory of the quota system as provided in the Jones-Costigan Act, and also continued in the Sugar Act of 1937. Therefore it was proper that this treaty should not become the law of the land until we had a continuation of the quota act in our law.

In going over the treaty and considering it in all its aspects, with a knowledge of the history back of it, we found that there was no real objection to the treaty excepting in regard to a statement which was made at the time of the signing of the treaty by our representative, Norman Davis. This statement is not in any sense a part of the treaty, and was undoubtedly made merely to show the countries which were negotiating the treaty that the system of quota under the Jones-Costigan Act would continue to be the system of the United States, and the declaration went on to state that in case that act should come to an end, it would be the policy of our Government to continue things as they were.

It was deemed by a number of Senators, however, that in making the statement a rather unhappy expression had been resorted to, because by one interpretation it could be assumed that a representative of the executive branch of our Government was making a promise in regard to future policy, and that the authority to make such a statement belonged exclusively to the policy-making branch of the Government, the Congress of the United States.

Therefore, Mr. President, it was deemed quite essential that a reservation be added to the treaty, and as a result the Committee on Foreign Relations recommends that the separate statement, namely—

I am instructed by my Government to state that, in the event that its existing legislation imposing quotas upon the importation and marketing of sugar lapses within the life of this agreement, it will be its policy to maintain its tariff on full duty sugar at no higher rate than now existing—

made on the part of the United States at the time of the signing of this agreement, May 6, 1937, at London, shall not be regarded as constituting a part of the agreement.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. ADAMS. I merely wish to inquire of the Senator from Utah as to the basis for the statement made by Mr. Davis regarding what the Congress would do. It seems that when he signed the agreement he made a representation as to future acts of the Congress, and I am wondering whether the Senator knows upon what basis he presumed to make that representation.

Mr. McKELLAR. Mr. President, before the Senator answers the question I should like to ask him one, because I think his response would make clearer his answer to the question of the Senator from Colorado. I am not familiar with the pending treaty. What does it provide? Why should we make a treaty at all in regard to the importation of sugar? It seems curious to me that we should be entering into a treaty about that subject, and I should like to have the Senator explain what the effect of the treaty would be.

Mr. THOMAS of Utah. May I first answer the Senator from Colorado in regard to the reservation?

Mr. McKELLAR. Certainly.

Mr. THOMAS of Utah. Then, I shall be happy to give an outline of the treaty and also give an outline of what I consider the historical background which made the signing of the treaty probably a necessity.

The Senator from Colorado will remember that almost at the same time, if not just before the time, when our repre-

representative made this statement in Europe, the President of the United States sent a message to the Congress of the United States calling attention to the fact that the Jones-Costigan Sugar Act would come to an end, and asking for sugar legislation to take its place. It was therefore deemed that the Congress of the United States would renew the provisions of the Jones-Costigan Act as they applied to quotas, and that that scheme of sugar relation, which was then the law of the land, would continue to be the law of the land. I think that is about the reason for the statement being made.

In the negotiating of treaties between many nations there is a give and a take. It is quite different from the enactment of ordinary laws, and the Senator will discover that in the pending treaty each nation promises to do certain things. The United States happens to be an importing Nation rather than an exporting Nation and in order that the United States could properly promise to fulfill its part of the compact it was, of course, necessary for the representative of the United States to say that our present sugar scheme would be continued and that therefore we would have control. Someone might ask, "How do we know it will be continued when you yourself know that the act will come to an end this year?" Then the answer probably came.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. O'MAHONEY. That certainly was not what the representative of the United States said. He said, in the language which was quoted and attached to the treaty, that if the regulatory measure ceased to have existence, in that event he agreed on behalf of the United States that there would be no change in the tariff duty which, I take it, is a very different statement from that just now made by the Senator.

Mr. THOMAS of Utah. But not a different statement from the one I made before, that we found in the explanation a rather unhappy choice of words which might be taken to imply exactly what the Senator from Wyoming has said, and therefore the need for the reservation.

Mr. O'MAHONEY. Then are we to understand that the Senator means that the representative of the United States in uttering this language did not mean to refer to tariff duties after the domestic regulation plan should cease to have effect?

Mr. THOMAS of Utah. I trust that is what he meant, because I cannot conceive of anyone representing the United States in a foreign land so unfamiliar with our constitutional scheme as to imagine that anybody representing the executive department of our Government, especially in negotiating a treaty, could bind the Government of the United States to a policy which it was to follow, the formulation of which belonged entirely to the policy-making branch of our Government, namely, the Congress of the United States.

Mr. O'MAHONEY. Then, the purpose of the reservation is to make clear that it never was the intention of the executive branch of the Government to say to foreign countries what our foreign policy would or would not be, after the domestic regulation act should cease to have effect?

Mr. THOMAS of Utah. The purpose of the reservation is to have the Senate of the United States make clear that very point before it gives its advice and consent to the treaty.

Mr. O'MAHONEY. I desire to ask the Senator another question in amplification of that which was propounded by the Senator from Tennessee [Mr. McKellar]. From the Senator's point of view and from the point of view of the Committee on Foreign Relations, what is the exact effect of this treaty upon the domestic continental United States sugar industry? What are we binding ourselves to do or to refrain from doing?

Mr. THOMAS of Utah. The Senator means, of course, so far as the continental sugar industry of the United States is concerned?

Mr. O'MAHONEY. Yes; certainly.

Mr. THOMAS of Utah. Definitely, we are binding ourselves to the provisions found in articles 9 and 10 of the treaty.

Mr. O'MAHONEY. Will not the Senator summarize those provisions for the purpose of the Record?

Mr. THOMAS of Utah. Yes; but before I summarize them I should like to state, in answer to the question, that we are in reality binding ourselves by international agreement, if that is possible—we are talking rather loosely here—to see to it that the present national habits in regard to sugar, as reflected now in the Sugar Act of 1937, shall be continued.

Mr. O'MAHONEY. The Senator, of course, is aware that many sections of the country are not at all satisfied with the terms of the Sugar Act of 1937, and that they feel that the domestic quota should be increased. For example, there was prolonged debate upon the Senate floor on behalf of the State of Louisiana, and particularly the State of Florida, in criticism of what was called the restrictive quota upon those two States; that is to say, in effect, upon the amount of sugarcane which could be grown in the United States. The Senator is also aware that Senators representing the States which produced beet sugar were not at all satisfied to say that perpetually those States should have to regard themselves as being prohibited from expanding in the production of beet sugar.

Are we now to say to the governments of the world that, regardless of this attitude upon the part of the Rocky Mountain West, the Middle West, and the cane-growing States of the South, we are going to limit ourselves to the production authorized in the Sugar Act of 1937, when we all know that continental United States does not begin to produce the amount of sugar that the continent of the United States consumes?

Mr. THOMAS of Utah. We are going to say, in accordance with the provisions of the treaty, that we are willing, for a period of 5 years of experimentation in international sugar control, to try to bring about international sugar control in order to keep our country from suffering the distress it has suffered in the past by reason of noncontrol. We are willing, during the next 5 years, to experiment internationally on the same theory and along the same line on which we are experimenting nationally with respect to the quota theory.

Mr. O'MAHONEY. The Senator, then, does not regard this treaty as in any degree or sense indicating to the other signatories that it is to be the permanent policy of the United States to restrain domestic production of sugar beets and sugarcane?

Mr. THOMAS of Utah. Certainly not. The treaty itself provides a limitation of 5 years. I do not think any single one of the contracting governments would like to freeze this situation permanently, because we know that many of the contracting governments are hoping for a very much more extensive increase in the production of sugar in their own lands, and that they are also looking forward to the time when the consumption of sugar will be very much greater; and they actually provide in the treaty for setting up a commission to study sugar the world over, to control the free sugar market, and to administer the treaty. One of the things attempted will be to bring about an increase in the consumption of sugar; and if that is done to the proper extent—and there is the whole world before us in which to increase the consumption of sugar—there will be no curb upon the sugar production in any of those countries, because the world market will take care of the surplus in those countries which are exporting, and our own market will take care of our own production.

Mr. O'MAHONEY. Then am I to understand that it is the understanding of the other signatories that the treaty is in effect merely a temporary expedient designed to see what can be done toward stabilizing prices during the period of transition about which the Senator from North Carolina [Mr. Bailey] was talking a little while ago?

Mr. THOMAS of Utah. Definitely so. We remember that the bottom fell out of the whole world sugar market and the

sugar industries throughout the world back in 1929, even before the great depression set in in this country. The Senate will also remember that with the bottom gone in the sugar industry the price of sugar fell so low that it reached a point very much less than a cent a pound, after deducting the tariff charge, and that brought sugar distress in the United States in spite of the tariff on sugar. We had a tariff on foreign sugar of 2½ cents a pound, and on Cuban sugar of 2 cents, and yet the price in the United States reached a point of just 1 mill—one-tenth of 1 cent—higher than the tariff itself charged on world sugar. This distress brought about thoughtfulness on the part of the sugar-producing countries of the world, and, under the leadership of Cuba, whose whole economic system rests upon sugar, there was brought into existence an agreement between sugar-producing corporations throughout the world known as the Chadbourne agreement.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. THOMAS of Utah. I yield.

Mr. McKELLAR. Was there ever before an international treaty of that kind in reference to sugar?

Mr. THOMAS of Utah. No, sir. That was not an agreement between nations at all. It was an agreement between corporate producers of sugar in some 9 or 10 of the outstanding sugar-producing countries of the world. It failed, and as the result of its failure now comes this attempt, taken up as the result of the international conference of 1933, which made provision for the study of the question, and brought into existence the group of negotiators who gave us this treaty.

Mr. O'MAHONEY. Mr. President, if I may continue to trespass on the Senator's good nature, I desire to call attention to the last sentence of subparagraph (a) of article 9 of this treaty. That sentence reads as follows:

If the quota of the Commonwealth of the Philippines should be reduced below an amount equal to 800,000 long tons of unrefined sugar plus 50,000 long tons of refined sugar, the Government of the United States further undertakes to permit a net importation (as defined above) from foreign countries of a net quantity of sugar equal to the amount of such reduction.

Of course, the plain effect of that provision is that to whatever extent the quota from the Philippine Islands may be reduced, to that extent the importations from foreign countries shall be increased, and the right of domestic producers of sugar beets and sugarcane shall be curtailed, and the right of producers of sugarcane in Hawaii, Puerto Rico, and the Virgin Islands shall also be curtailed.

Mr. THOMAS of Utah. "Curtailed" is hardly the right word, because if our domestic consumption increases, of course, there will be no curtailment at all.

Mr. O'MAHONEY. The Senator is correct, of course; but their right to expand will be limited to that extent.

Mr. THOMAS of Utah. Limited, of course, so far as the 800,000 tons and 50,000 tons of refined sugar are concerned. The whole effect and the whole purpose of this guaranty is that if and when the provisions of the Philippine Independence Act, and if and when the provisions of our own quota system are changed, then the United States promises that as far as the amount of sugar which is brought in from the Philippine Islands under the two acts is concerned, we will not try to prevent the free sugar markets from coming in and sharing in that advantage if there is a chance to increase our imports. I wish to stress the fact that we must remember there are two conditional propositions in connection with that very striking clause in this paragraph.

Mr. O'MAHONEY. Mr. President, it may be proper to call attention at this time to the fact that the so-called Philippine Independence Act of 1934 binds the United States to admit from the Philippines, during the period when the act is effective, free of duty, 800,000 long tons of unrefined sugar and 50,000 tons of refined sugar. That provision is to be found in subparagraph (a) of section 6 of that act.

It is also provided in section 10 (a) of the act that—

On the 4th day of July immediately following the expiration of a period of 10 years from the date of the inauguration of the new government—

That is, the new government of the Philippine Islands—

under the constitution provided for in this act the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing.

In other words, it is provided that 10 years from that date, which will be in 1946, the Philippine Islands become absolutely free and independent.

Section 13 of the act provides:

SEC. 13. After the Philippine Islands have become a free and independent nation, there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries.

In other words, we are obligated by that act after the Philippines become independent to levy the same duty on Philippine sugar that is levied on sugar coming from any other country.

Mr. THOMAS of Utah. I think if the Senator will permit me, there ought to be read in connection with the provisions he has read from the act a part of paragraph (e) of the sixth section which shows a little further the spirit of the Philippine Act and the preparation which the United States Government attempts to provide in order to bring the Philippines into a position where they may withstand this economic change which freedom would cause. It indicates that the provisions of the Philippine Act and the theory and wording of the treaty are definitely in harmony with the same end. For example, the Philippine Act provides in regard to all articles exported duty free from the Philippines to the United States:

(e) The Government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivision (a)—

Which, of course, relates to sugar—

(b), and (c), within the limitations therein specified, as follows:

(1) During the sixth year after the inauguration of the new government, the export tax shall be 5 percent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

(2) During the seventh year after the inauguration of the new government, the export tax shall be 10 percent—

And so on; the idea being that the Philippines themselves by self-discipline will by an export tax bring their exportation of goods into the same competitive sphere which the goods would have to enter after independence without the preference which is given them in the United States.

Mr. O'MAHONEY. The Senator is aware that in the Philippines there is a very strong movement in favor of earlier independence than that fixed in the act? If that movement should be successful, if the United States should, for one reason or another, recognize that movement and grant freedom at an earlier date than 1946, then the United States would no longer be under any obligation, legal or moral, but would, as a matter of fact, be bound by this act, if it were to be interpreted as effective, then to levy the same tariff upon Philippine sugar as is levied on other sugar. Therefore, the 800,000 tons of free sugar would no longer be coming into continental United States. That is a fact, is it not?

Mr. THOMAS of Utah. Theoretically that is true, excepting that the Government of the United States never weighs its moral obligations; in fact, it has in this agreement a very strong moral obligation to help the Philippines out in a situation of this kind. While it has no particular bearing upon what we are talking about today, it has a bearing to a certain extent. For instance, in the Philippine Act it is provided:

That at least 1 year prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Common-

wealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provisions of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

Mr. President, the President of the United States and the President of the Philippine Commonwealth, in keeping with the spirit of the act, have already appointed committees, and those committees are now acting quite in conformity with the spirit of this treaty and with the spirit of the act, to bring about between the United States and the Philippines such reciprocal arrangements as will make it possible for the Philippines if they so desire, to receive their independence at an earlier date, at an advantage to both countries instead of at a disadvantage to either. The committees are now functioning and engaged in a study and in making preparation for such time.

Mr. O'MAHONEY. Then, I ask the Senator what his view would be of the proposed reservation, a copy of which I handed to him this afternoon and a copy of which I now send to the desk with a request that the clerk may read it.

The PRESIDING OFFICER (Mr. McGUIRE in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

The provision of paragraph (a) of article 9, viz: "If the quota of the Commonwealth of the Philippines should be reduced below an amount equal to 800,000 long tons of unrefined sugar plus 50,000 long tons of refined sugar, the Government of the United States further undertakes to permit a net exportation (as defined above) from foreign countries of a net quantity of sugar equal to the amount of such reduction," is to be interpreted as applying only during such period as the obligations of the Philippine Independence Act of 1934 with respect to the importation of sugar from the Commonwealth of the Philippines into continental United States without duty remains binding upon the United States.

Mr. THOMAS of Utah. Will the Senator from Wyoming be good enough to restate his question?

Mr. O'MAHONEY. I was inquiring what the Senator's reaction would be toward the advisability of adopting that or some similar reservation the purpose of which, of course, is to make it clear that in the event the Philippine Islands should become independent before the expiration of the date fixed in the Philippine Independence Act and their quota should be materially reduced, then the United States would be free to distribute such a reduction among the continental producers of sugar beets and sugarcane and then among the producers in Hawaii, Puerto Rico, and the Virgin Islands?

Mr. THOMAS of Utah. Of course, if the Philippines should become independent, then their status under this treaty would be changed. Therefore, immediately there would be brought into existence a stimulation for further negotiation and a stimulation for further exchange of thought. The international council being in existence, it would be able to report to the Government of the United States and to the other governments concerned, that conditions had changed.

Mr. McKELLAR. Mr. President, will the Senator yield to me there for a question?

Mr. THOMAS of Utah. I yield.

Mr. McKELLAR. I notice that this treaty is signed by a representative of the new Philippine government as well as by representatives of our Government. In the opinion of the Senator, would there be any moral obligation on the part of the United States to continue, after Philippine independence, the permission to export Philippine sugar into the United States to the amount of 800,000 long tons?

Mr. THOMAS of Utah. There would be under the provisions of the treaty.

Mr. McKELLAR. Does the Senator think that would be right? Does the Senator think we ought to bind ourselves by treaty to disregard the law that has been passed by the Congress which would give us the right, without any moral obli-

gation to do otherwise, to levy a new duty on Philippine sugar just as on other sugars? We are giving the Philippines their independence. It was with the understanding, as I recall, that they would have to take the consequences to their economic system and run the risk of a tariff on sugar shipped to the United States just as is done by other nations. If they are a free and independent nation, I should think it would be proper to treat them as an independent nation and put a tariff on their sugar just as we put a tariff on the sugars of other countries. If this treaty would put upon the United States the moral obligation to continue the importation of 800,000 tons of raw sugar and 50,000 tons of refined sugar, I do not think we should enter into it.

Mr. THOMAS of Utah. I think the Senator misunderstood me. If the Philippines receive their independence we are under no obligation to continue them upon this basis.

Mr. McKELLAR. I notice the treaty is signed by their representative. I am wondering if it would not be an obligation or if they do not think it would put an obligation upon us to continue letting 800,000 tons of their sugar come in without duty.

Mr. THOMAS of Utah. The treaty is signed by the Philippine representative, but in the message of the President of the United States in transmitting the treaty he told us that the treaty will also have to be ratified by the Philippine Commonwealth or by the assembly or legislature of the Philippine Islands.

Mr. McKELLAR. I have no doubt they will do it if it is to their interest to do it.

Mr. THOMAS of Utah. It is to their interest, and I think the Senator's question has brought forth what should be explained as one of the primary reasons for this provision in regard to Philippine sugar.

It should be remembered that the Philippine Islands are capable of producing and exporting very much more than the 800,000 tons which come to us now. It would be a very easy matter for the Philippines to export into the free market as high as 1,500,000 tons, or twice as much as they are exporting to the United States, and we are the only country to which they are exporting at the present time.

The purpose of that provision in the treaty is to help us so to regulate the Philippine exports, as that they will be controlled in an orderly manner, and that the Philippine Islands will not find themselves in a position of necessity to dump upon the free markets of the world all the possibilities of their exportations. There are only 3,500,000 tons which go into the free markets of the world. There are 30,000,000 tons of sugar produced and 30,000,000 tons of sugar consumed, but it is through the 3,500,000 of exports into the free market that the ultimate price of sugar is fixed. Students who have studied the sugar business nationally and internationally for sometime realize if we can keep that rather constant, so the world may not be flooded with an excess surplus, we can keep the price of sugar somewhere near the point where there is no distress with regard to sugar throughout the world—keeping it from going so high that the consumer will never be mistreated, and keeping it from going too low so that the economic affairs of the countries that produce sugar and depend upon it will not be affected.

If this treaty should become effective and if we anticipate Filipino independence at a certain time, it would be wise for us to allow to go into the free market of this 800,000 tons which come to us 50,000 tons one year and let the free market learn how to assimilate the Philippine sugar, and keep 800,000 tons constant after Filipino independence instead of allowing the Filipinos to think in terms of a dumping process.

Therefore, the provision has two sides to it. It is for the benefit of the Philippines, it is for the benefit of the United States in more ways than one, and it is for the benefit of the whole world.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. THOMAS of Utah. I yield.

Mr. ADAMS. I wish to ask the Senator for his interpretation of subsection (b) of article 9. In that section it is provided that—

In the allocation of import quotas to foreign countries as provided above, the Government of the United States undertakes that the percentage so allotted to countries parties to the present agreement shall not in the aggregate be less than the percentage allotted to those countries at the time of the signature of the agreement.

My inquiry is whether or not the term "foreign countries" as there used would include Cuba? If so, it is a matter of some significance, because it would prevent our decreasing the percentage which comes from Cuba, or whether or not the term "foreign countries," as there used, is to be read in connection with the term "foreign countries not enjoying preferential duty rates" as it appears in lines 4 and 5 of subsection (a) of article 9.

Mr. THOMAS of Utah. I think it refers to foreign countries other than Cuba, because Cuba does enjoy preferential rates.

Mr. ADAMS. Does the Senator think subsection (b) does not tie us to continue allowing importations from Cuba, during the life of this agreement, of the percentage now permitted to them?

Mr. THOMAS of Utah. I think the Senator has two ideas there and I am wondering if they will not become confused.

Mr. ADAMS. That is the reason why I am asking the question, so they may not become confused.

Mr. THOMAS of Utah. The agreement between the United States and Cuba is a domestic agreement in a way. It grows out of our Sugar Act of 1937. We promise by the treaty, the 17 exporting governments of the world, that we will not interfere with the even flow of that share of the world free market which we have been accustomed to take, and that is all we have promised.

Mr. ADAMS. But does it obligate us to permit Cuba, from which we import some 60 percent of our sugar, to continue to bring in 60 percent of the sugar of the United States; that is, the percentage we might get from Ecuador or from other countries is not material, but the percentage as applied to Cuba is very material.

Mr. THOMAS of Utah. Even if it did, Cuba would only have her percentage of the percentage which we allowed.

Mr. ADAMS. Why not use tonnage rather than percentage? Why continue to allow foreign countries to participate in the expanded consumption of this country?

Mr. THOMAS of Utah. We are not, excepting as to the 800,000 tons, and the 50,000 tons of Philippine sugar which already comes in under a quota system. The whole promise and the whole effect of this part of the treaty is that we promise to leave the relationships as they are during the lifetime of this treaty; that we will not take advantage of Philippine independence to upset the arrangement as far as this matter is concerned, but we will help the Philippines to get their 800,000 tons into the free market.

Mr. ADAMS. Is this section limited to the Philippine matter? I do not so read it. That is the reason why I am trying to get an interpretation. This apparently is a blanket obligation on our part to permit the same importations from foreign countries that are being permitted at the time of the signature of this agreement. It might be that we should want to reduce the percentage which is coming in from Cuba, and at the same time not reduce the actual tonnage coming in from Cuba.

Mr. THOMAS of Utah. If the Senator will look at section 19, probably he will have his answer. There are the quotas of the contracting governments, and Cuba is allowed 940,000 metric tons in the free market quota. That is all that Cuba can export into the free market. We are bound in the case of Cuba by our other agreement, which is a domestic agreement; and it is from this free market that this excess, or the difference between the 800,000 tons of Philippine sugar and our sugar, may come. If the Senator will figure what Cuba's share in that might be, it does not mean the exportation of a single additional ton from Cuba. We would take from the

world market perhaps Cuba's share, perhaps some one else's share, but it is controlled by Cuba's promise for exportation into the world market.

Mr. O'MAHONEY. Mr. President, the attention of the Senate ought to be called to the fact that this is an agreement for 5 years, while the Sugar Control Act of 1937 expires in 1940. In 1940 the whole question of domestic quotas will be revived. There will be the question of the Hawaiian quota, the Puerto Rican quota, the quota for the Virgin Islands, the quotas for Florida and for Louisiana; and it would appear to me from this language that even though in the meantime the Philippines should become independent, we are bound not to reduce the quota from the Philippine Islands unless we shall give it to the foreign countries. I ask the Senator what, in his opinion, would be the objection to adopting the proposed reservation which I have sent to the desk?

Mr. THOMAS of Utah. May I answer the first part of the statement first? If we enact sugar legislation which is in disagreement with the foreign treaty, the sugar legislation has its way in the law of the land, does it not, and the treaty becomes inoperative, as far as that is concerned? There is the answer.

Mr. O'MAHONEY. Of course, that would be abrogating the treaty, which would be a rather difficult thing to do, and something that one would hardly expect the country to do in normal circumstances.

Mr. THOMAS of Utah. Therefore if it is difficult to do that—and I grant that it is difficult, and probably not quite right—will we not, by enacting this treaty, have made it necessary to consider the whole sugar question at the end of 1940, when the act is to be renewed again?

Mr. CONNALLY. Mr. President—

Mr. THOMAS of Utah. And having the knowledge which we shall have gained during 3 years of experiment and trial of an international quota system, we shall then know whether or not we want to continue this arrangement.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. The Senator from Texas [Mr. CONNALLY] has a question which he desires to ask. I yield first to him. Then I will yield to the Senator from New York.

Mr. CONNALLY. Mr. President, I was about to suggest to the Senator that I think there is some misapprehension about the effect of a treaty. A treaty has two aspects. Under the Constitution, when it is ratified, it is the law of the land; but it may be repealed just like any other law. If Congress, even after the ratification of this treaty, should enact a new statute, it would supersede the treaty. That does not mean, though, that we should be guiltless, because we should have broken our contract.

A treaty is a law, and it is also a contract with a foreign government. As long as it is a law, it operates on our citizens just like any other law; but we may breach it by repealing the effect of the law, and our citizens then become subject to the new act. But, of course, unless we breach the treaty under the provisions of its own terms as to how we may denounce it, we stand in the rather unenviable light of having broken an international promise.

So when we speak of a treaty being a law, it is a law, but it is also a contract with a foreign government; it has those two aspects; but a treaty may be repealed so far as our own citizens are concerned by the enactment of a new statute.

Mr. THOMAS of Utah. I thank the Senator.

Mr. COPELAND. Mr. President—

Mr. THOMAS of Utah. I yield to the Senator from New York.

Mr. COPELAND. In my capacity as a "Senator from Puerto Rico" I desire to ask a question. I think perhaps if I were to remain quiet, I should get the answers to all my questions; but, as a matter of fact, this treaty does freeze the quotas provided under our legislative act; does it not?

Mr. THOMAS of Utah. It freezes them in what way, Mr. President?

Mr. COPELAND. Take the case of Puerto Rico, for example: There was a certain legislative act with respect to

the amount of sugar that might come in from Puerto Rico. It is on the basis of that act and that particular importation that Puerto Rico's share in this matter is found; is it not?

Mr. THOMAS of Utah. Puerto Rico's share comes out of the Sugar Act of 1937; does it not?

Mr. COPELAND. Yes.

Mr. THOMAS of Utah. And this treaty is built to that extent upon the quota theory internationally, as our Sugar Act of 1937 is built upon the quota theory nationally.

Mr. COPELAND. And in making an answer a moment ago to one of the other Senators, I think the Senator from Utah said that in 1940, when that act terminates, the whole question will be open for consideration as to how much shall be allotted to the various domestic areas of our country.

Mr. THOMAS of Utah. By 1940, by the time our Sugar Act comes to an end, the sugar countries of the world will have experimented for 3 whole years with this treaty. If it is failing, we know that it, too, will be renounced by the nations of the world.

Mr. COPELAND. I can see that the Senator has cleared up a matter I had in my mind. It is a matter of great concern to Puerto Rico; but the Senator from Utah is not to blame for that. The amount of Puerto Rican sugar was reduced about 34,000 tons under the arrangement that we made; and since Puerto Rico's crops are confined to sugar, tobacco, fruits, and coffee, it is a matter of serious concern to Puerto Rico what shall be done in the future regarding sugar. That is because now, under the reciprocal-tariff arrangements and the agreement with Cuba, the tariff on fruits has been reduced one-half, and our habit as regards the kind of tobacco we smoke has changed, so that the old 10-cent cigar that was made in Puerto Rico is not in demand any more; and then coffee, by reason of conditions abroad, has no further sale; so sugar is the only hope of Puerto Rico. But I take it to be the case that in any event the treaty has no effect upon changing the present quota system which we have set up by legislative act, and at the end of the time of that arrangement we shall have to consider the matter. Meantime, the Senator suggests that there will have been experience in the working out of the treaty. Is that true?

Mr. THOMAS of Utah. Very much experience; and if we succeed in keeping the price of sugar around 2 cents in the world market, which is a very high price, the Puerto Rican sugar industry will be thriving, of course, and our own sugar industry will be thriving. It is when sugar drops below 1 cent that Puerto Rico has her distress and our sugar interests have their distress. The whole world is in the same bucket when it comes to distress sugar, because the world grows and manufactures more sugar than the world can consume.

Mr. O'MAHONEY. And by this treaty we are entering into an agreement with all the world to partition the supply of sugar and to limit it to the world's capacity under present economic conditions to consume sugar.

Mr. THOMAS of Utah. That is more or less true.

Mr. O'MAHONEY. As a matter of fact, the United States is the market for most of the sugar; it is the most desirable market.

Mr. THOMAS of Utah. It is the largest importer in the world.

Mr. O'MAHONEY. All the world looks with envy at this market.

Mr. THOMAS of Utah. That is true.

Mr. O'MAHONEY. We have Hawaii; we have Puerto Rico; we have the Philippine Islands; we have our own sugarcane-growing States; and we have our own sugar-beet-growing States, all desirous of expanding their production. We know that the improvements developed by science are steadily increasing the proportion of sugar in the cane. The productivity of Louisiana cane and Florida cane and Hawaiian cane is much greater today than it was 10 or 15 or 20 years ago, so that by this treaty we are, as a matter of fact, saying to the world, "We are going to give you part of our market, regardless of the interest of our own sugarcane and sugar-beet producers."

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Mr. THOMAS of Utah. Not regardless of their interest.

Mr. O'MAHONEY. Regardless of their desire to produce.

Mr. THOMAS of Utah. If under the present world conditions there were any way to make it possible to guarantee prosperity to the American sugar interests without some kind of international agreement, the statement which the Senator has made would be perfectly valid. But I care not how high we put a sugar tariff; we may even embargo sugar, if we will, but we still have our nearest neighbor—Cuba—to take care of; we still have the Philippines on our hands; we still have Hawaii on our hands; we still have Puerto Rico on our hands.

Mr. O'MAHONEY. But this obligation is to take care of other foreign countries. The Senator has just said that the phrase "foreign countries" in article 9 does not mean Cuba, because we have a preferential arrangement with Cuba.

Mr. THOMAS of Utah. To take care of the sugar of the foreign market, which, of course, is sugar from other foreign countries.

Mr. O'MAHONEY. The obligation of the sentence to which I have been asking the Senator's attention is that "the United States further undertakes to permit a net importation from foreign countries of a net quantity of sugar equal to the amount" of the reduction of the Philippine Island quota.

Mr. THOMAS of Utah. Very well; assume that we have a chance to expand the whole limit of Philippine importations. What is done to Louisiana, what is done to Florida, what is done to the beet-growing States? They have been given nothing, because under the present quota they cannot expand that far, anyway.

Mr. O'MAHONEY. But there are 2 years which will intervene after the present quota act comes to an end before the treaty will cease to be effective. Therefore in 1940, when the Senate and the House of Representatives undertake to rewrite the Sugar Control Act, they will be bound by this provision.

Mr. THOMAS of Utah. Not at all; they would be bound by the conditions of 1940.

Mr. O'MAHONEY. If in the Sugar Control Act of 1940 the quota of the Philippine Islands should be reduced from 800,000 to 400,000, could we, under this treaty, distribute that 400,000 tons among Florida and Louisiana and the Rocky Mountain States?

Mr. THOMAS of Utah. Let us assume that the consumption of sugar will return to the status of 1927 and 1928, and the possibilities are that it will be very much greater than that, and that by 1940 as a result of this international sugar agreement, and as a result of the aim of the International Sugar Council to increase the consumption of sugar when there is a changed world to deal with the former status is reached, and it must not be thought that conditions are going to be frozen as they are today from now on to the end.

Mr. O'MAHONEY. The Senator may be more optimistic than I am with respect to the changing world.

Mr. THOMAS of Utah. Let me tell the Senator that it may be germane and all right to make fun of statements, but it is a fact, in regard to sugar, that it is the least exploited of all products in the world.

Mr. O'MAHONEY. I will grant the Senator that, and I certainly did not mean to make fun of his statement. If he thinks I did, I withdraw the statement. I am merely asking him to answer the plain question whether if we should in 1940 decrease the Philippine quota by 400,000 tons, we would not then be bound by this treaty to give that 400,000 tons to foreign countries, and not retain it for our own people.

Mr. THOMAS of Utah. To the world free market, which of course means the exportations of foreign countries.

Mr. O'MAHONEY. The language here is not "the world free market"; the treaty says "to foreign countries." I am trying to get the Senator to tell me what that means, and what its effect would be.

Mr. THOMAS of Utah. It merely means that there is set up a controlled free market of 3,500,000 tons, and that 3,500,000 tons is all of the sugar which all the 17 exporting countries are allowed to export under the quota system.

Mr. O'MAHONEY. That is true—export to the United States.

Mr. THOMAS of Utah. No; to the world.

Mr. O'MAHONEY. Part of it coming to the United States.

Mr. THOMAS of Utah. That part comes to the United States which the United States needs, of course. If the price of sugar gets above 2 cents in the world market we will want more, because that would bring distress to the consumer in the United States. The Senator will find that every idea has been thought of, and that not a single thing is given, but very, very much is gained.

Mr. O'MAHONEY. I dislike very much to seem to pursue the matter unduly, but it seems to me the Senator has not answered my question. If we cut 400,000 tons off the quota of the Philippine Islands in 1940, we cannot add any part of that to the production of the State of Idaho, of the State of Ohio, of the State of Michigan, of the State of Utah, of the State of Wyoming, of the State of Colorado, or of any of the other States of the Union which produce sugar beets or sugarcane, under the provisions of this treaty. Am I not stating the interpretation correctly?

Mr. THOMAS of Utah. The Senator is not taking in all of the factors, certainly.

Mr. O'MAHONEY. If the Senator would merely answer the question yes or no, then we could take in the other factors and determine where we are going.

Mr. THOMAS of Utah. The language is that if we do not take 800,000 tons from the Philippines we will allow sugar from the free market to come in to take the place of the difference between the 800,000 and what does come in.

Mr. O'MAHONEY. I beg the Senator's pardon; that was not the sentence. It says the United States "undertakes to permit a net importation from foreign countries," not from the free market.

Mr. THOMAS of Utah. That is exactly what I meant to say; foreign countries are included in the free market, and the foreign countries are listed on page 9, and the free market is set up. The Senator will note, in going over the list of those countries, that there is a curb put upon the exportation of every country which exports sugar. That is what all those countries give, and in return we get the guarantee of a decent, stable sugar price.

Mr. O'MAHONEY. Will the Senator, on behalf of the committee, accept the proposed reservation I sent to the desk?

Mr. THOMAS of Utah. No; it would be wrong to accept it. Economically the reservation means nothing, either for the United States or against the United States. Diplomatically it means very much, because it would endanger the going into effect of the whole treaty. It would be the duty of the United States to report this reservation, because it would modify the body of the treaty. It is very different from the other reservation.

Mr. O'MAHONEY. And does the Senator believe that the United States derives sufficient benefits from this treaty to justify the rejection of a proposal of that kind?

Mr. THOMAS of Utah. Oh, very much more than sufficient benefits.

Mr. O'MAHONEY. What benefit does the United States derive?

Mr. THOMAS of Utah. The best way to answer that question is to recite a little bit of history, and then we shall realize the benefits which we derive.

Under the Tariff Act of 1930 we placed the tariff on sugar at 2½ cents for the world market and 2 cents for the Cuban market. Yet with that very high tariff, as I have already said, sugar in the United States reached the price of 2 cents and 6 mills. In other words, there was so large a supply of sugar in the world that sugar came into the United States at the price of 1 mill, one-half of 1 cent, as far as the sugar producers were concerned, because they had to pay the tariff of 2½ cents. That brought utter distress to our sugar industry. It was from that distress that we have been trying to recover; and, no matter what we have done, we

have discovered that the world's sugar market is the single factor which controls the price in the United States.

This is the first attempt that I know anything about to control the world market in a given product by international agreement; and sugar is probably the best product with which to begin, because after it is controlled it will bring stability from one end of the world to the other, and an institution is set up which will start studying sugar problems and increase consumption of sugar in the world, and probably bring about better conditions everywhere.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. McKELLAR. I am not familiar with this treaty, nor had I examined it before this afternoon, and I have had opportunity to examine it only hastily since then. If the United States should enter into a subsequent agreement with the Philippines to reduce their quota, say, 400,000 tons, so that it would be 400,000 tons instead of 800,000 tons, does this treaty provide that we must accept 400,000 tons from foreign countries without duty?

Mr. THOMAS of Utah. No; not without duty.

Mr. McKELLAR. In other words, they would pay the same duty, but the sugar could come in from Java or elsewhere, from whatever place may be determined?

Mr. THOMAS of Utah. Yes.

Mr. McKELLAR. Cuba has a preferential position. Could that 400,000 tons be allotted to Cuba?

Mr. THOMAS of Utah. No. As has already been stated, Cuba is bound by her export quota agreements with all countries under this treaty. Therefore, it would be impossible for the United States to allot it to Cuba. It would have to come from the pools of the world's free markets.

Mr. McKELLAR. What I am afraid of is that we are going to get our lines crossed, to use an ordinary expression, in our dealings with the Philippines. After we have passed an act providing for an agreement with respect to sugar with the Philippines, we make this treaty, which is the supreme law of the land, and by which we shall be governed until the expiration of the treaty, or until the treaty is no longer in existence, and we thereby incur an obligation to the Philippines.

Mr. THOMAS of Utah. The Philippines have already incurred an obligation under the treaty, and the Philippine legislature will ratify the treaty. The United States has set up a commission to study the subject.

Mr. McKELLAR. It is not a question about their being bound by the agreement; but what I am wondering about is whether we ought to be bound by an agreement for a longer period of time than the present sugar law provides.

Mr. THOMAS of Utah. That is the 2 years that the Senator from Wyoming [Mr. O'MAHONEY] has mentioned.

Mr. McKELLAR. Yes.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. ELLENDER. As the Senator from Utah knows, there is much agitation at this time to give freedom to the Philippines before the period of time specified in the Tydings Act. Let us assume that next year, at the coming session of the Congress, the Congress should pass a law giving freedom to the Philippines at once. How much of the amount of sugar that is now sent into this country from the Philippines would be assigned to continental producers?

Mr. THOMAS of Utah. In the United States?

Mr. ELLENDER. Yes; and how much would be assigned to Puerto Rico, and to the Virgin Islands, and to any of our possessions, if this treaty were to be ratified as it is proposed?

Mr. THOMAS of Utah. I think none of it, as I have answered the Senator from Wyoming.

Mr. ELLENDER. Does the Senator think that is fair?

Mr. THOMAS of Utah. Very fair. In the first place, the fairness comes to the Philippine Islands in this way—

Mr. ELLENDER. I do not mean the Philippine Islands. I mean to the continental producers.

Mr. THOMAS of Utah. We will come to the continental producers next, if the Senator wishes. It is fair to the Phil-

ippine Islands in that the aim is to change the Philippine exportation to the United States, which will go into the world market in an orderly, proper way without upsetting the Philippine market. It is fair to the world in that the Filipinos are bound by the quota provision, and are therefore prevented from doing what they can do the minute they become independent, which is to dump something like 1,500,000 tons—and they can grow twice that much—on the world market without restraint. It is beneficial to the United States, not only because of the moral obligation we have to see the Filipinos and the Philippine Islands through, but it is beneficial to the United States sugar producers themselves because it gives the control which keeps the quota system with respect to foreign exporters where it is at the present time.

Mr. ELLENDER. But we have that control system now; do we not?

Mr. THOMAS of Utah. We do not.

Mr. ELLENDER. How do we operate now? We do not permit more than a certain amount of Cuban sugar and a certain amount of other foreign sugar to come in. How would we keep our present system?

Mr. THOMAS of Utah. We have control under our quota system. Internationally, in the world market, there is no control at all, unless we can get the exporting sugar countries to agree to this agreement. If the time ever comes when we have an increase above the 3,500,000 tons permitted under the present arrangement, we shall have distress in our own sugar markets here in America, because the price of sugar here in the United States is controlled by the price of sugar on the world markets. Therefore, benefit will result from the treaty all the way around. In fact, no one is hurt by this treaty, and everyone is benefited.

Mr. ELLENDER. Except, as I see it, that if the treaty is ratified, continental producers and the Philippine producers who cannot expand will be penalized.

Mr. THOMAS of Utah. They can expand to the extent of the 800,000 tons, plus the 50,000 tons of Philippine sugar that is coming in now.

Mr. ELLENDER. That is the system under which we are now operating. Is that not true?

Mr. THOMAS of Utah. Yes; that is true, of course.

Mr. POPE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. POPE. Did the Senator say there were about 10,000,000 tons surplus on the market in 1929 when distress came to the sugar producers all over the world?

Mr. THOMAS of Utah. I do not remember the figure exactly, but it was very much above what the world can take care of—the 3,500,000 tons.

Mr. POPE. Then the 3,500,000 tons would be what we might call a normal carry-over, using a term we have been using in connection with our discussion of the farm bill in the last 3 or 4 weeks. Let me ask the Senator whether in a large way, affecting the world, we are attempting to do what under the farm bill we have been attempting to do with the surplus in our own national economy? Is there not an analogy there concerning dealing with the surpluses in order to have a fair price for the commodities?

Mr. THOMAS of Utah. Of course, this treaty only deals with the export quotas, which are not equivalent to the surpluses, so that internationally it would be better to say we are trying to apply a quota system of exports in much the same way that nationally we apply the quota system in the United States.

Mr. POPE. The Senator from Louisiana was perfectly willing that the individual States might have an allotment under our farm bill, and even that the individual should submit to an allotment in the interest of the public welfare. Would it not be fair to say that the United States should be willing to sacrifice a little something in order to help control the surplus and therefore obtain a fair price for sugar the world over, including the United States?

Mr. THOMAS of Utah. That would be fine if we were sacrificing a single thing economically. That is all we give

in return for all that the exporting sugar countries give. When we compare them it should make us a little bit ashamed.

Mr. POPE. I used the term "sacrifice" in this sense, that the Senator from Wyoming and the Senator from Louisiana have both felt we were sacrificing the right of our own producers to increase our production in some way. Even in that sense would it not be fair that we observe some sort of limitation, if it would mean a fair price for those very producers for the sugar they produce instead of permitting them to produce all they want to and, with the rest of the world doing the same thing, to bring down the price of sugar below any possibility of the producer making a living?

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. ELLENDER. In answer to the Senator from Idaho, all that I think we ought to get is a share of the 800,000 tons from the Philippines. As I understand the treaty, it does not respect our rights at all, but gives it all to foreign countries. All I think we ought to get is a few hundred tons to distribute among continental growers. As I understand the treaty, it gives it all to foreigners and none to us.

Mr. O'MAHONEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Utah. Certainly.

Mr. O'MAHONEY. I assume what the Senator from Idaho just said and what the Senator from Utah just said is substantially correct. I do not know that I would want to distribute at all. This treaty, like the Sugar Control Act and like the farm bill, is an attempt to divide among certain producing agencies, individuals, or areas a limited amount, that amount which can be consumed by a world which is on too low an economic level. In the United States of America we have millions of people who are today living upon a security wage and who cannot, therefore, consume all the things they would like to consume—indeed, cannot consume the things they ought to consume if they were to live well and supply their bodies with what their bodies should have.

The trouble with the farm bill, the trouble with the Sugar Control Act, and the trouble with this treaty is that they are all geared to low consumption. The time should come when we begin to gear our treaties and our laws to increasing consumption instead of decreasing consumption.

The reason why I have raised the question this afternoon is not because I apprehend any great danger in the particular treaty now pending, but because I want to serve notice that it is not the intention of the producing areas of the United States continually and permanently to consent to a repressed standard of living. I assume when the treaty was under negotiation and when this particular sentence to which attention has been called was introduced there was a feeling on the part of the negotiators that there might be some reduction of the Philippine quota. But I do not apprehend it was in the mind of the negotiators that that quota would be altogether eliminated or that any large proportion of it would be reduced. Am I correct in that assumption?

Mr. THOMAS of Utah. I think the Senator is very correct. That would be my assumption.

Mr. O'MAHONEY. If it were understood that in all probability the Congress of the United States, in revising the Sugar Quota Act in 1940, would not materially reduce the Philippine quota, there would probably be no very great objection to the ratification of the treaty as it stands. But for one I want to be understood as taking the position that I do not agree, in the event the Philippine Islands are to become free and there should be a substantial reduction of their quota, that the United States should not in any event distribute that substantial quota to its own domestic producers—and when I speak of domestic producers in this regard I include the producers of Hawaii, Puerto Rico, and the Virgin Islands.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. McKELLAR. There is one assurance I would like to have about the matter. I am not as well versed about it as I should be, perhaps. In the event that we should make an agreement with the Filipinos for their independence, and should establish a preferential quota somewhat as we did with Cuba, allowing Cuba to send her sugar to the United States at a lower tariff rate than other countries enjoyed—in the event that we should conclude it was wise to establish some such agreement with the Philippines, if they should get their independence, in order that they might send in so much sugar at a lower tariff rate rather than send it in free as they do now—would it be our duty to continue to allow their sugar to come in free, or would we be in a position to give them a preferential rate, and not free sugar? Would this treaty interfere with such a program as that?

Mr. THOMAS of Utah. I think not; first of all, because of the time limit; and secondly, I think that whatever we do with the Philippine sugar would have to be done consistent with the present Philippine Act, which, as the Senator will remember, puts an export tax upon imports into the United States after a certain time.

There are so many factors which have to come into the new arrangement that we would have to carry on negotiations as we are carrying on negotiations now, and the arrangement would be worked out between the United States and the Philippines in a way quite consistent with what the United States would have and what the Philippines should have.

Mr. McKELLAR. Then does the Senator feel that he can give the assurance to the Senate that if the treaty should be ratified it would not interfere at all with our relations with the Philippines, the Filipinos, and their independence? In other words, would we be perfectly free to contract with them on the basis of our present law and such future laws as we might undertake to enact?

Mr. THOMAS of Utah. I should think the answer to that question would be definitely yes; that we would be free to act.

Mr. President, I move that the Senate agree to the reservation to the treaty.

Mr. POPE. Mr. President, I desire to ask the Senator just one more question, and to make a statement.

Mr. THOMAS of Utah. I am glad to yield to the Senator from Idaho.

Mr. POPE. I do not want it understood, from what I said a few minutes ago, that I am not definitely in favor of an expansion of production of our sugar. I will at any time do what I can to bring that about; but if I see that that very expansion, along with the expansion of production elsewhere in the world, is going to bring down the price of sugar by creating a surplus, then I shall be consistent with the principles for which I have stood in connection with other recent legislation. I think it is very much more important to the farmer to have a fair price for a reasonable production than it is to have a low price, a distressingly low price, for a large or huge production of any commodity.

I desire to make it perfectly clear that I think perhaps one of the most important features of this treaty is paragraph (b) of article V, which binds all these nations to promote a campaign to bring about new uses and larger consumption of sugar everywhere in the world. I think that must go along hand in hand with any sort of a treaty or a law which tends to limit production so that it will balance effective demand.

Mr. O'MAHONEY. Mr. President, does not the Senator acknowledge that so long as we have a quota system restricting importations from foreign countries to the difference between domestic production and domestic consumption, the price will not be adversely affected?

Mr. POPE. I cannot answer that question.

Mr. O'MAHONEY. Was not that the result of the original Jones-Costigan Act? We kept the world supply off the domestic market, and thereby kept up the price, because we gave the opportunity to domestic producers to market all they could raise.

Mr. POPE. Yes; I think the Senator is correct.

Mr. O'MAHONEY. So that this treaty will have no effect whatever upon the price in the domestic market as long as we have the quota system restricting importations of foreign sugar.

Mr. POPE. Of course, as the Senator from Utah has just pointed out, our domestic price is immediately reflected by the world price.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. THOMAS of Utah. I yield.

Mr. ADAMS. I wish to make a suggestion. It seems to me that the analogy which has been drawn between the farm legislation and the sugar legislation is not sound. In the farm instance we are dealing with a case of surplus domestic production. In the sugar instance we are dealing with a case in which we do not produce enough sugar to supply our domestic demands. In the one case our interest is to dispose of a surplus within our own borders, or to prevent its being economically damaging; but we seem in some way to approach the sugar question as if we had to ask favors from somebody. In the sugar matter we are in a position absolutely to control our own destiny.

So far as the Philippines are concerned, we are not going to be harmed by this provision in the bill. There is a principle involved which I do not like very well. That is that we have to make concessions; that here is an opportunity for us to export sugar, but that we surrender it; that we are putting restrictions upon American sugar production at the very time when the American sugar producer, both cane and beet, is eager to expand his production.

Today we are producing only some 28 percent of the American demand. We are not dealing with a surplus commodity. Our interest in surplus in the sugar business is in world surplus, not in domestic surplus. We have been endeavoring so to deal with the world surplus that our domestic industries other than sugar might profit by it. That is, we have sought to permit our best customers, such as Cuba, to bring sugar here to the point where it would not destroy our domestic sugar production; but the surplus is not a surplus of American sugar. It is a matter of making a wise use of our own domestic production. We are in a position to fix the price of sugar in the United States at the point where the Congress sees fit to fix it by controlling importations, controlling tariffs, and controlling production; and we do not have to go abroad. We do not have to sign agreements. We do not have to make concessions.

I am not opposing the contemplated action, but it is not a matter of necessity. It is not a matter of preserving our domestic sugar industry. It is a matter of preserving good will, and preserving, if anything, the welfare of sugar producers who are foreign sugar producers. We are more concerned in that. This free market is something we look at as a customer, not for sugar, but largely for other products; and I am interested only in seeing that we do not proceed along the lines of donation so far as to injure American sugar producers. We have been a little liberal in the past. We are being a little liberal now.

That is the only point I wanted to make—that we should not draw a false analogy between a domestic surplus and a domestic shortage.

Mr. THOMAS of Utah. Mr. President, I move that the Senate agree to the committee's reservation, and suggest that it be read.

The PRESIDING OFFICER. The Chair will state that the parliamentary situation is that unless there should be an agreement to regard the treaty as having passed through its various parliamentary stages to the point of ratification, the reservation would not be first in order. Let the Chair put the question.

Without objection, the treaty will be regarded as having passed through its various parliamentary stages to the point of ratification.

Mr. O'MAHONEY. Mr. President, reserving the right to object, it is obvious that that would mean that the Senate

would have ratified the treaty without the reservation which the committee has proposed, or else I misunderstood the Chair.

The PRESIDING OFFICER. Let the Chair state the parliamentary situation. Unless the treaty can be considered by agreement of the Senate as having passed through its various parliamentary stages to the point of ratification, each article will have to be voted on separately before the reservation will be in order. Is there objection?

Mr. PEPPER. Mr. President, before the matter comes to a vote on any article I should like, if the Senator will indulge me, to make a brief observation and to make an inquiry.

Mr. THOMAS of Utah. I am glad to yield.

Mr. PEPPER. I am very much interested in the point of view which has been presented by the Senators from Wyoming and from Louisiana, particularly with respect to the date of expiration of the treaty as related to the date of expiration of our own Sugar Act, and then the fact that by the terms of article 9, section (a), if there is a reduction in the quota of the Philippines, we do not share in the production of that increment.

I am not sure that I followed the advantage that the United States gains by what I agree with the Senator from Wyoming is a sacrifice of one of our rights. In other words, we agree by this treaty to limit our production in the interest of the world sugar crop. We do that in consideration of the agreement of the other contracting parties that they will reduce their production likewise so that the world supply will be diminished and the price thereby will be improved.

When for one reason or another one of the contracting parties surrenders its production share, one naturally thinks in terms of distribution of that share among the other contracting parties, because we think of it as being in a way analogous to a game in which a given number of persons participate; and when one of them withdraws from the game as it were, there is a larger share for distribution among those who remain. It would at least be difficult to explain to the person who was not an expert in this subject why we should not share in the released quota of the Philippines in our pro rata way with the remaining contracting parties to the treaty. That would be my first inquiry to the Senator—why we should not delete that provision from article 9 and merely provide that we may admit into the United States all except what would be our pro rata share of any reduction in quota which the Philippines might suffer.

The next suggestion would be that our sugar policy at the present time be expressed in terms of the recent act we passed.

Mr. THOMAS of Utah. May I answer the first question?

Mr. PEPPER. Certainly.

Mr. THOMAS of Utah. If we do not import the 800,000 tons from the Philippines, the Philippines then are entitled to send that 800,000 tons into the free market. If we do not make provision for the assimilation of that 800,000 tons, or help to make provision in the free market, we upset the whole quota scheme of all the contracting countries, because they have agreed to limit their exports to three and a half million tons. If 800,000 tons are sent into the free market, that must come out of the exports, or the exports from the other countries will be made less effective. All we do is to guarantee that we will arrange in such a way that the world can take over that which we have been habitually using, and in order that the world may take it over, we will take from the world the 800,000 tons which the Philippines send into the world. So that it is merely an arrangement whereby the set-up in the treaty remains the same.

Mr. PEPPER. Who receives the 800,000 long tons of unrefined sugar and the 50,000 long tons of refined sugar which the Philippines export; the whole world market?

Mr. THOMAS of Utah. At the present time it all comes to the United States.

Mr. PEPPER. That is what I thought. If that be true, if the Philippines suffered a reduction in quota, then the Philippines would not be particularly concerned about who enjoyed the right to produce the amount by which the quota was reduced.

Mr. THOMAS of Utah. Who would take their sugar? Immediately we cut the Philippines out of a chance to export anything, then we bring distress on the Philippine Islands.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Utah. I yield.

Mr. O'MAHONEY. I think I see what is in the mind of the Senator from Florida, and I may say that the explanation which was given to me by the State Department was that those who were negotiating the treaty on behalf of the foreign countries were fearful that if the United States reduced the quota of Philippine sugar to be consumed in the United States, that amount would be dumped upon the world market, and thereby contribute to depressing the price. So, for the purpose of bringing about stabilization, the United States was induced to agree that by whatever amount it reduced the Philippine quota it would admit sugar from other countries, and in this treaty the other countries agree that by whatever amount the Philippine quota to the United States is reduced, the Philippines may export that same amount, plus 4 percent, to the foreign market. Have I stated it correctly?

Mr. THOMAS of Utah. That is correct.

Mr. PEPPER. Is the explanation satisfactory to the Senator from Wyoming? We who represent sugar-producing States are all in the same position, being producers for the local market.

Mr. O'MAHONEY. I thought I made my position clear a moment ago. I am loath to offer a reservation which the Senator from Utah, on behalf of the Committee on Foreign Relations, will not accept, because I recognize the fact that the Committee on Foreign Relations has devoted a great deal of time and study to this question, and I know that the Senator from Utah has been particularly diligent in that respect. He has advised me that this treaty must be ratified before the end of the month if it is to be effective.

With the statement which the Senator made upon the floor a moment ago that this is a practical matter, and that it is recognized on behalf of the foreign signatories, as well as here, that there is no intention upon the part of the United States to make any substantial reduction, if any at all, in the Philippine quota, I regard this as a technical discussion rather than a practical one, and therefore it is not my purpose formally to offer the reservation; but I want it distinctly understood that those of us who represent the States which produce sugarcane and sugar beets are standing firmly for the right of those States to extend their production when the matter becomes a practical question.

Mr. PEPPER. I appreciate the Senator making that point so clear.

Mr. THOMAS of Utah. We are all in agreement; that is, those of us who have been discussing the question are in agreement with the Senator from Wyoming.

Mr. PEPPER. I thank the Senator from Wyoming for the very clear statement he has made about it. It is a policy in which all of us agree.

The other inquiry relates to the expiration date of the treaty. What is to be the life of the treaty?

Mr. THOMAS of Utah. Five years.

Mr. PEPPER. Five years from what date?

Mr. THOMAS of Utah. From the time it goes into effect, which would be five years from January 1, let us say.

Mr. PEPPER. That would make it expire January 1, 1943. Our Domestic Sugar Act will expire December 31, 1940, will it not?

Mr. THOMAS of Utah. Yes; 3 years from this December.

Mr. PEPPER. Our sugar policy is embedded in the Domestic Sugar Act we passed at the last session. Would the Senator think it advisable that the effective expiration of this treaty should be made coterminous with the expiration of our own Domestic Sugar Act, which is an expression of our domestic sugar policy?

Mr. THOMAS of Utah. If the United States had been negotiating the treaty for the world all by herself, of course,

it would have been to our advantage to have the treaty in absolute agreement with our own domestic arrangement, but the treaty is made to agree with the domestic arrangements of some twenty-odd nations.

Mr. PEPPER. Is there a provision in the treaty for its adaptation to the circumstances which might arise from any change in our domestic sugar policy?

Mr. THOMAS of Utah. Definitely. That is one of the advantages of the treaty. A council is set up, which council shall study the questions and circumstances involved and inform the various signatories to the treaty, and shall take advantage of every exigency which may arise to increase the consumption of sugar, and to bring about the day of good times for sugar producers without infringing upon the rights of the consumers. It is constructive in every particular.

Mr. PEPPER. The last inquiry would relate to the constituency of the council. The council is the agency which is provided by the treaty for determining the operation of the treaty.

Mr. THOMAS of Utah. That is correct.

Mr. PEPPER. The council has a membership embracing what countries?

Mr. THOMAS of Utah. All of the signatory countries are embraced.

Mr. PEPPER. How many constitute the council?

Mr. THOMAS of Utah. The council is to consist of 22 countries. The list is set out on page 14 of the treaty. The voting arrangements are divided in such a way that the United States and the United Kingdom have the greatest weight.

Mr. PEPPER. That is the point to which I was coming. Comparing the weight of the United Kingdom and of the United States, which has the greater weight?

Mr. THOMAS of Utah. They are equal, 17 points for each country.

Mr. PEPPER. Does that include the whole of the British Empire?

Mr. THOMAS of Utah. No; it does not include the whole of the British Empire. It includes the United Kingdom; that is, England, Scotland, and Northern Ireland.

Mr. PEPPER. And if to the United Kingdom, which has just been named by the Senator, were to be added the other countries which compose the British Empire, the British Empire would have a very much greater voting strength on the council than the United States, would it not?

Mr. THOMAS of Utah. Yes; but Senators must remember that South Africa is an exporter, while the United Kingdom is an importer. Canada, for example, has not become a party to the treaty, because she is entirely an importing state. It will be found that no matter how one tries to figure out an advantage, the advantage simply is not there because of the existing economic conditions and circumstances and the political arrangements of the various countries.

Mr. PEPPER. If the Senator will permit me, the junior Senator from Florida will state that he has always been sufficiently mystified by the elasticities of British foreign policy to suspect the possibility that in a case in which such political arrangements existed, at a crucial moment there might come a period of unanimity in which the United Kingdom would be joined by her dominions.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. McKELLAR. I have so much personal liking for the Senator from Utah, and have so much admiration especially for his learning and ability, that I have hesitancy in not voting favorably for the treaty; but I think its ratification would lead to trouble in the future. I wonder if the Senator would feel very ill toward me if I simply voted in the negative without further argument?

The PRESIDING OFFICER. Is there objection to the treaty being considered as having passed through its various parliamentary stages up to the point of ratification?

Mr. McKELLAR. I am not going to object; but, if the Senator from Utah will not feel offended, I shall content myself by voting "no," and let it go at that.

Mr. THOMAS of Utah. The Senator from Utah will not feel offended even if the treaty is rejected; but I am sure that every sugar interest in the United States would be not only sorely offended but actually hurt.

Mr. JOHNSON of Colorado. Mr. President, reserving the right to object, I desire to ascertain whether I shall have an opportunity to vote against ratification.

The PRESIDING OFFICER. Certainly. The question that the Chair put to the Senate was whether there is objection to the treaty being considered as having passed through its various parliamentary stages up to the point of ratification. The treaty is before the Senate and open to amendment.

If there be no amendment to be proposed, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification, with the reservation, will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive T, Seventy-fifth Congress, first session, an international agreement regarding the regulation of production and marketing of sugar and an annexed protocol concerning transitional measures, signed at London on May 6, 1937, subject to the following reservation:

The separate statement, viz, "I am instructed by my Government to state that, in the event that its existing legislation imposing quotas upon the importation and marketing of sugar lapses within the life of this agreement, it will be its policy to maintain its tariff on full-duty sugar at no higher rate than that now existing," made on the part of the United States at the time of the signing of this agreement (May 6, 1937, at London) shall not be regarded as constituting a part of this agreement.

The PRESIDING OFFICER. The question is on agreeing to the reservation to the resolution of ratification.

The reservation was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification with the reservation. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification with the reservation is agreed to, and the treaty is ratified.

NATIONAL HOUSING PROGRAM—REPORT OF BANKING AND CURRENCY COMMITTEE

The Senate resumed legislative session.

Mr. WAGNER. I ask unanimous consent at this time to report back with an amendment, from the Committee on Banking and Currency, the bill (H. R. 8730) to amend the National Housing Act, and for other purposes; and I submit a report (No. 1300) thereon. The Senator from Ohio [Mr. BULKLEY] and myself have been authorized to report favorably on behalf of the committee—a unanimous vote, by the way—the so-called National Housing Act Amendment of 1937.

Mr. BARKLEY. That is a report on the House bill, as I understand, and not on the Senate bill?

Mr. WAGNER. Yes; with an amendment.

The PRESIDING OFFICER. Without objection, the report will be received, and the bill will be placed on the calendar.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 21, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate Monday, December 20 (legislative day of November 16), 1937

FIRST ASSISTANT SECRETARY OF THE INTERIOR

Ebert K. Burlew, of Pennsylvania, to be First Assistant Secretary of the Interior, vice Theodore A. Walters.

FARM SECURITY ADMINISTRATION

Claude M. Evans, of Texas, to be regional director of the Farm Security Administration, Department of Agriculture, vice D. P. Trent.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY
TO FIELD ARTILLERY

First Lt. William John Ledward, Coast Artillery Corps,
with rank from June 13, 1936.

PROMOTION IN THE REGULAR ARMY

TO BE MAJOR

Capt. John Joseph Murphy, Infantry, from December
14, 1937.

POSTMASTERS

ALABAMA

Dezzie A. Littlejohn to be postmaster at Jemison, Ala.,
in place of N. B. Wells, deceased.

CONNECTICUT

Peter A. Davey to be postmaster at Bridgeport, Conn., in
place of E. C. Martin. Incumbent's commission expired
April 27, 1936.

Helen Kathleen O'Brien to be postmaster at Glenville,
Conn., in place of M. C. Adams, removed.

ILLINOIS

Samuel J. Kreider to be postmaster at Prairie City, Ill.
Office became Presidential July 1, 1937.

IOWA

Floyd A. Bishop to be postmaster at Mitchellville, Iowa,
in place of Wayne Taylor, resigned.

KANSAS

Carl Willis Gilbert to be postmaster at Plainville, Kans.,
in place of T. J. O'Brien, removed.

MINNESOTA

Clarence E. Scheibe to be postmaster at Cloquet, Minn.,
in place of E. S. Scheibe, deceased.

NEW JERSEY

Peter J. Egan to be postmaster at Montclair, N. J., in place
of J. L. Kennedy, deceased.

William Dudley Carleton to be postmaster at Ringwood
Manor, N. J. Office became Presidential July 1, 1937.

NEW MEXICO

Denzel Luther Lee to be postmaster at Dexter, N. Mex., in
place of J. R. McNeil, resigned.

NEW YORK

Laurence D. Brown to be postmaster at Eastview, N. Y.,
in place of F. M. Rouis, resigned.

NORTH CAROLINA

Barron P. Caldwell to be postmaster at Marion, N. C., in
place of M. G. Poteat, deceased.

OHIO

Floyd G. Young to be postmaster at Mendon, Ohio. Office
became Presidential July 1, 1937.

PENNSYLVANIA

Mary R. Yocom to be postmaster at Douglassville, Pa.
Office became Presidential July 1, 1937.

SOUTH DAKOTA

Glennie Flathers Whites to be postmaster at Iroquois,
S. Dak., in place of F. O. Schumaker, resigned.

CONFIRMATIONS

*Executive nominations confirmed by the Senate December
20 (legislative day of November 16), 1937*

POSTMASTERS

CALIFORNIA

Eileen B. Cardiff, Altadena.
Antoinette E. Williams, Merced Falls.
Arthur E. Flint, Penryn.
Benjamin H. Steeg, Twentynine Palms.

NEW YORK

Hans C. Hansen, Fishers Island.
Catherine J. McMahon, Wyandanch.

NORTH DAKOTA

Margaret E. Wirtzfeld, Martin.
Olaf L. Svidal, Starkweather.

TEXAS

Virgil E. Wootton, Hunt.
Stella Jarrett, Olden.
Henry E. Dunlavy, Temple.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 20, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D.,
offered the following prayer:

Great is the Lord and greatly to be praised in the mount
of His holiness. According to Thy name, O God, so is Thy
praise unto the ends of the earth. Thy right hand is full of
righteousness. This God is our God forever and ever; He
will be our guide even unto death. Heavenly Father, as we
look into the past may we most gratefully remember Thy
manifold mercies which have been our perpetual accompani-
ment all the days of our lives. We thank Thee for the privi-
lege of service and for the power of fitting ourselves into the
needs of others. Nothing can lessen the worth of our holy
faith as long as the religion of loving service endures.
Blessed Lord God, as we stand in the foreglow of Mary's
holy Child, fill us with the spirit of the Master—hating no
one, but speaking and acting with good will toward all.
Allow none who suffer to look to us in vain for the mani-
festations of His pure and lowly ways. In His name. Amen.

The Journal of the proceedings of Saturday, December 18,
1937, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United
States was communicated to the House by Mr. Latta, one of
his secretaries.

EXTENSION OF REMARKS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous
consent to extend my remarks in the RECORD and to include
therein a letter signed by the 14 Members of this House
from the Rocky Mountain region, composed of the 8
Rocky Mountain States, together with a memorandum which
includes certain quotations from Federal statutes and Su-
preme Court decisions.

The SPEAKER. Is there objection to the request of the
gentleman from Colorado?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to
extend my remarks in the RECORD and to include therein a
newspaper article written about the possibilities of tin min-
ing in Alaska.

The SPEAKER. Is there objection to the request of the
gentleman from Alaska?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent that
following the remarks of the gentleman from Minnesota
[Mr. KNUTSON] I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the
gentleman from Pennsylvania?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to ad-
dress the House for 25 minutes following the remarks of
the gentleman from Pennsylvania [Mr. RICH].

The SPEAKER. Is there objection to the request of the
gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent, on behalf of the gentleman from Ohio [Mr. WHITE] that he may extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio talk I made on Navy Day.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

ECONOMIC RELATIONS WITH JAPAN

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to speak for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, on December 13 I introduced a joint resolution (H. J. Res. 537) authorizing the President of the United States, in cooperation with other nations, to suspend economic relations with Japan. On the same day the gentleman from Maryland [Mr. LEWIS] introduced an identical resolution.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, I rise today in support of that joint resolution, No. 537, authorizing the President of the United States, in cooperation with other nations, to suspend economic relations with Japan. The resolved clause reads in detail as follows:

Resolved, etc., That in order to restrain further Japanese aggression in Asia, to provide material aid to China, to safeguard the peace of America, and to restore international law and order the President of the United States, in cooperation with other nations, is hereby authorized to employ such economic and financial measures—including prohibition of any or all export and import trade with Japan (except normal peacetime supplies of foodstuffs used by the Japanese people) and extension of credits and materials to China—as may be calculated to withhold further aid to the aggressor and to assist the victim and so hasten the termination of conflict and the making of a just and necessary peace.

Mr. Speaker, the Japanese military and naval forces are now engaged in an unprovoked invasion of a peaceful people, with a consequent ruthless slaughter of innocent men, women, and children, and a continued series of unwarranted attacks on foreigners living or working in China. This war has been going on unchecked for several months. Japan started it without cause and has been waging it without regard for the most elementary rules of humanity. And although scores of thousands of Japan's best army and navy forces are in China fighting against the legitimate Chinese Government and against the Chinese people, Japan has not bothered to declare this invasion formally a war.

The Japanese military authorities claim that they are perpetrating these horrors on the Chinese Nation in "self-defense." This is one of the oldest and most overworked excuses in the vocabulary of aggressors. For the "defense" of Japan, troops, planes, and battleships are sent across the sea to bomb, shell, and destroy cities, towns, and peaceful countryside. For the "defense" of Japan old men, women, and children in China are bombed from the air, machine gunned as they try to flee, executed in batches if they are caught, starved when they escape from cities and towns under siege. And finally, with superb irony, the Japanese generals proclaim that they are seeking the "friendship and cooperation of China."

The Japanese have been calling their tactics in China "self-defense" since 1931, when the first great post-war grab of Chinese territory took place. In annexing Manchuria and setting up a puppet government and a puppet emperor, the

Japanese generals and diplomatic spokesmen wore this fine old phrase threadbare. Nobody outside Japan agreed with them then, just as no one agrees with them now. The League of Nations, after sending a commission to China to study the matter for weeks, disagreed emphatically. Japan was condemned by the vote of every delegate of every nation represented—this was sometime before Hitler discovered that the Japanese were his racial brothers. Every nation present agreed that Japan was the aggressor and that it violated not only the Covenant of the League—of which it was then a member—but the Nine Power Treaty of 1922 and the Kellogg Peace Pact as well. Both the Covenant of the League of Nations and the Nine Power Treaty bound Japan to respect the territorial integrity of China. The Kellogg Peace Pact, signed in 1928, bound Japan, with close to 60 other nations, to renounce war forever as an instrument of national policy.

In 1937 the League of Nations, as well as the so-called Nine Power Conference of Brussels, condemned Japan again as the aggressor. The language of the League's findings is clear. On October 6 the Assembly adopted the report of the Far Eastern Advisory Committee, which says:

After examination of the facts laid before it, the committee is bound to take the view that the military operations carried on by Japan against China can be justified neither on the basis of existing legal instruments nor on that of the right of self-defense, and that it is in contravention of Japan's obligations under the Nine Power Treaty of February 6, 1922, and under the Pact of Paris of August 27, 1928.

Secretary of State Hull has added the condemnation of the United States to that of the League, using language of similar clarity:

In the light of the unfolding developments in the Far East the Government of the United States has been forced to the conclusion that the action of Japan in China is inconsistent with the principles that should govern the relationships between nations and is contrary to the provisions of the Nine Power Treaty of February 6, 1922, regarding principles and policies to be followed in matters concerning China, and to those of the Kellogg-Briand Pact of August 27, 1928.

Thus the conclusions of this Government with respect to the foregoing are in general accord with those of the assembly of the League of Nations.

President Roosevelt on December 21, 1937, in a letter to Governor Landon, said:

I believe that the overwhelming majority of our countrymen, regardless of politics, race, creed, or color, from the days of Washington to this hour, have desired to pursue the even tenor of their way at peace with all nations and all peoples.

But throughout our long history we Americans have rejected every suggestion that ultimate security can be assured by closing our eyes to the fact that whether we like it or not we are a part of a large world of other nations and peoples.

As such we owe some measure of cooperation and even leadership in maintaining standards of conduct helpful to the ultimate goal of general peace.

There is no doubt, then, that Japan's invasion of China is a clear violation of treaty obligations entered into freely and voluntarily. Japan is obviously the aggressor in its savage attack on a peaceful nation, and in its continued violation of the rights of neutrals and in increasingly open attacks on the lives and property of those neutrals.

Now the United States is also bound by the Nine Power Treaty and by the Kellogg Pact of 1928. In fact, the United States may claim to have been the initial force behind the drawing up and ratification of both. Our position has always been that the territorial integrity of China must be maintained, with the open door as one of the main principles of our Asiatic policy. We have, on many occasions, spoken forcibly for the preservation of peace throughout the world, and condemned the idea of military aggression in countless statements by leading officials of our Government.

Yet our present attitude toward the Japanese invasion of a friendly nation is hardly consistent with our obligations and our stated position. The fact that we continue commercial relations with Japan is contradictory to the fundamental tenets of our foreign policy. It shows, in fact, that we also have little respect for treaty obligations solemnly entered into. It shows that we are willing to violate our

pledges in the careless spirit in which so many treaties and agreements have been violated within the past 5 or 6 years.

How is this so? Let our exports to Japan tell the story:

Ten months' trade

Exports	January- October 1936, quantity	January- October 1937, quantity
Crude oil.....barrels..	8,574,559	12,520,994
Gasoline.....do.....	706,163	844,139
Kerosene.....do.....		180,353
Lubricating oil.....do.....	243,498	361,928
Gas and fuel oil.....do.....	6,958,865	9,013,131
Wood pulp.....tons.....	143,921	176,722
Iron and steel scrap, including tin scrap.....do.....	998,134	1,871,644
Wire rods.....pounds.....	28,825,597	63,089,491
Tin plate and terneplate.....do.....	33,480,203	79,633,089
Steel sheets, black.....do.....	1,678,703	29,741,432
Copper, refined.....do.....	71,811,677	111,592,512
Copper, old and scrap.....do.....	3,456,066	10,789,429

Without these materials, the war could not be continued, as Japan has little of them itself.

Japan buys the raw materials and much of the supplies for its war on an innocent people from the United States, which is bound by the same treaties that we condemn Japan for openly flouting. This is done, of course, with the dollar exchange secured from the sale of goods in this country. More than 85 percent of Japanese silk, the principal export, is sold in the United States. Ninety-seven percent of our silk supply comes from Japan. Toys, played with by our children, are converted into airplane bombs to kill Chinese children. Electric-light bulbs, pottery, and a score of other products are sold in this country and the money used to carry on the war of the Japanese militarists against Chinese civilization.

Continuing this trade with Japan, thus arming the Japanese military machine, is inconsistent with our pledges to "respect the territorial integrity and the administrative independence of China." In plain language, we are helping the Japanese Fascist leaders to break the solemn pledges that we ourselves initiated in the Nine Power Treaty and Kellogg Pact at the same time that we denounce these leaders for so doing.

The sanctity of treaties is one basic principle of international law. No state that does not desire to violate its international obligations can permit any act that violates either the letter or the spirit of a treaty. Yet we are doing that constantly in every commercial transaction that we permit with Japan.

Our own Constitution provides that—

Treaties made, or which shall be made, under the authority of the United States shall be the supreme law of the land.

But the United States has on the statute books domestic legislation that conflicts with its international pledges. I refer to the so-called neutrality law, by which certain trade can be stopped with both parties to a war. That law has not been applied to the present situation in the Far East, presumably because it does conflict with our treaty obligations toward China. But this is not enough. The fulfillment of our treaty obligations calls for positive action, not simply for a negative policy. Hence, Mr. Speaker, the need for the passage of House Joint Resolution No. 537, which would give the President of the United States power to declare an economic embargo on Japan and not on China. Such a resolution gives a positive and effective way for the United States to show its disapproval of the actions of consistent treaty violators and to live up to its pledged word.

But the present war against the Chinese people does not only affect the United States as a blow against the sanctity of international obligations; it affects us much more closely and directly. The President of the United States expressed the very real danger to this Nation of continuing wars of aggression in his speech at Chicago of October 5, when he said:

The present reign of terror and international lawlessness began a few years ago. It began through unjustified interference of

other nations or the invasion of alien territory in violation of treaties and has now reached a stage where the very foundations of civilization are seriously threatened.

Without a declaration of war and without warning or justification of any kind, civilians, including women and children, are being ruthlessly murdered with bombs from the air.

Innocent peoples and nations are being cruelly sacrificed to a greed for power and supremacy which is devoid of all sense of justice and humane consideration.

If these things come to pass in other parts of the world, let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked, and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization.

War is a contagion, whether it is declared or undeclared. It can engulf states and peoples remote from the original scene of hostilities.

The danger is very real to us in America. For years we have thought that our distance from Europe and from Asia would save us from entanglement in their bloody quarrels. The World War of 1914 to 1918 taught us that this is no longer true. We were involved, we lost thousands of our best people, we poured out billions in money. Now the same danger threatens us again. The United States is a world power. It can no longer rest secure in the Western Hemisphere while a war of conquest rages in the Far East and in other parts of the world. The contagion exists, and it will spread unless it is cured now—unless the plague of war is stamped out now at its source.

What is the source of this infection that is spreading over the earth again, less than 20 years after the last horror of world death? The President of the United States again pointed to the answer in his Chicago speech, when he laid the blame straight on the shoulders of the aggressor nations:

The peace, the freedom, and the security of 90 percent of the population of the world are being jeopardized by the remaining 10 percent who are threatening a break-down of all international law and order. Surely the 90 percent, who want to live in peace under law and in accordance with moral standards which have received almost universal acceptance through the centuries, can and must find some way to make their will prevail.

Ninety percent of the world wants peace. Its will for peace, its desire for a chance to work and live in the midst of peace rather than to spend waking and sleeping hours cowering in the expectation of an air raid or grotesquely muzzling itself against poison gas is being thwarted by the will for war of a small minority.

This has been true, as the President pointed out, for the past several years. In 1931 Japan forced a war on the Chinese people in its seizure of Manchuria. In 1935 Italy bombed and slaughtered the men and women and children of Ethiopia—a people that had been a united nation for longer than the national existence of Italy. Mussolini's own son describes in pathological terms the perverted satisfaction he felt from bombing Ethiopian villages. In 1936 Nazi Germany filled the Rhineland with armed forces, in clear violation of treaty provisions. In 1936, and continuing in 1937, Italy and Germany are waging a war of invasion against Loyalist Spain, a democratic Republic whose constitution is patterned after our own. In each of these wars the innocent have suffered and are suffering for the greed and ambition of the few in control of the aggressor nations. In each instance the aggressors have taken up the Fascist pattern of government, under which all democratic rights and freedoms are suppressed.

Aggression grows by what it feeds upon. The seizure of Manchuria in 1931 did not satisfy imperialist Japan. Five northern Provinces of China were taken in the next grab of territory, and today Japan makes war in the heart of the Chinese nation. Mussolini has not been satisfied with Ethiopia, even though his conquest there is far from complete. His Fascist legions are in Spain today for the same purpose—to seize the property and the labor of peaceful men and women. Nazi Germany looks to expansion in the East, provokes conflict with Czechoslovakia as a necessary preliminary, and shares the spoils of rebel-dominated Spain with Mussolini.

Any hope that permitting aggressor nations to have their way in some far corner of the world that does not seem to

concern us will cure them of aggression is an illusion. The military machine, in antidemocratic, imperialist hands, must continually expand. To expand, it must justify itself in actual use. And in spite of the desire of 90 percent of the people of the world for peace, a military machine so controlled will be used to make war on the world.

President Roosevelt called upon peace-loving people to "quarantine the aggressor nations." That is what this resolution would do. Under its authorization, the President can at once, in concert with other nations, proceed to shut off the flow of raw materials and war supplies that is making it possible for Japan to wage a war of extermination against the Republic of China.

There is no question that an economic embargo against Japan, even by a few nations, could be most effective. Japan is exceptionally vulnerable to foreign boycott. The British Empire, the United States, Holland, France, and their possessions account for almost two-thirds of Japan's exports and imports. If those four nations were to prohibit exports to Japan its most essential imports would be cut off. Japan has stored some reserves, but its war industry and its war machine would be hamstrung in a few weeks if fresh supplies were not available. Four nations, acting together, could cut off those supplies.

House Joint Resolution 537 would enable the United States to take part in concerted action to stop Japanese aggression. We are a great and wealthy Nation. Our wealth must not be used to bring death and misery to our fellow men.

Japan's war in China is a symptom of a world disease that will not spare the people of the United States if it is not stamped out now. Doing nothing to stamp it out will not keep this disease from approaching our shores. Not only our treaty obligations, but our own interest demands that we do something, immediate and effective. That something is the application of an economic embargo on the war-mad leaders of militarist Japan. Let us do our part in the great task of keeping our world and our people at peace.

Mr. Speaker, the joint resolution was referred to the Committee on Foreign Affairs. I hope that that committee will give us a hearing in the early days of the regular session.

A PROGRAM FOR BUSINESS RECOVERY

Mr. BACON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, I have received today a letter from the president of the Chamber of Commerce of the Borough of Queens. They represent no large business but small and medium-sized business concerns throughout Queens County, N. Y. They are a fine body of patriotic Americans who are deeply concerned with the growing depression. The letter encloses a short program for business recovery, to which they invite my attention. This is so well thought out and so comprehensive, although brief in form, that I ask unanimous consent to include the letter and the program at this point in the RECORD. If the Congress and the administration could but follow these suggestions, we would really have business recovery. I myself subscribe wholeheartedly to this patriotic, nonpartisan program of the Chamber of Commerce of the Borough of Queens.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

CHAMBER OF COMMERCE OF THE BOROUGH OF QUEENS,
CITY OF NEW YORK,
New York, December 17, 1937.

HON. ROBERT L. BACON,

House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BACON: The other day we heard or read a remark which made a profound impression upon us. It was as follows:

"The unemployed of this country are not looking for work. They are looking for a man who can give them work."

In these words is a golden nugget of truth. We urge that you bear that truth in mind as you consider and vote upon legislation affecting the business interests of the Nation.

The men who can give the unemployed work are today harassed by vicious and restrictive taxes, fearful of the effect of Government extravagance, and worried to the point of paralysis by the specter of further Government interference with the normal flow of business.

We are drifting rapidly into another era of depression. This drift can be stopped; in fact, be reversed by the adoption of a business-recovery program such as the one we enclose.

That program represents the matured opinion of the businessmen who make up your constituency. We urge your most careful consideration and vigorous action in favor of its provisions.

Very truly yours,

JOHN ADIKES, President.

A PROGRAM FOR BUSINESS RECOVERY

As businessmen we recognize with keenest interest the desire of the President and the Congress to reverse the tide of business recession. And while we are in sympathy with many of the New Deal objectives, we are firmly convinced that those objectives can be obtained only through sound measures to bring about business and industrial recovery.

We, therefore, strongly urge upon the President and the Congress the immediate adoption of the following program, which will restore confidence in the future to the business interests of the Nation:

A. The undistributed-profits tax must be repealed. It is vicious in effect and restrictive upon normal business expansion.

B. The capital-gains tax must be repealed or sensibly modified. As it stands, it hinders the free flow of private investment moneys into productive channels.

C. The Budget must be balanced within the next year through sound economies in the Federal Government. Such economies are possible without crippling the necessary functions of government, neglecting those of our people in need of relief or adversely affecting business.

D. The Wagner National Labor Relations Act must be revised and clarified, its terms made equitable, thus fostering better relations between employer and employee. Labor unions must accept equal responsibility with employers in regard to the public interest.

E. The so-called wage and hour bill must be dropped. Such legislation would be unenforceable, except under a virtual Federal dictatorship over labor as well as business and industry. It would re-create the chaotic conditions prevalent under N. R. A., tend to raise what would in effect be State tariff walls, and foster sectional differences.

F. Congress must reinvest itself with such of its constitutional rights and powers as were abrogated in the name of emergency.

G. Government and business must foster mutual respect and confidence, each for the other. Only by the establishment of such mutual confidence and respect will economic stability be achieved and the causes of industrial conflict and class hatred be removed.

This program for business recovery has been promulgated by the Chamber of Commerce of the Borough of Queens. Its provisions, if adopted, will restore confidence to the business interests of the Nation. All American businessmen, through their chambers of commerce, are urged to adopt it as their own and to take every means to force adoption by Congress.

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Joel David Wolfsohn, executive secretary of the National Power Policy Committee.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech delivered on October 4 of this year at the dedication of the Church Street Postal Annex and Federal Building in New York City, by Postmaster General James A. Farley.

Mr. RICH. Mr. Speaker, reserving the right to object, I wonder if this is the James A. Farley who is the Democratic national chairman.

Mr. O'CONNOR of New York. This is James A. Farley, the greatest Postmaster General since Benjamin Franklin.

Mr. RICH. He has had more speeches in the RECORD during the past 4 years than any other individual.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ELMER LEWIS

Mr. PETTINGILL. Mr. Speaker, the Washington Star of yesterday, under the heading "Capital Sidelights," by Will P. Kennedy, had a very fine tribute to Elmer Lewis, superin-

tendent of the House Document Room. I think it would be a courtesy on the part of the Members of this House, whom he has served so well and so efficiently, to have a unanimous consent to extend my remarks by including in the RECORD at this point this little tribute to Mr. Lewis.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. DUNN asked and was given permission to extend his own remarks in the RECORD.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the National Manufacturers Association, and to include a short article appearing in the New Republic on that subject.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. MARTIN of Colorado rose.

The SPEAKER. For what purpose does the gentleman from Colorado rise?

Mr. MARTIN of Colorado. Mr. Speaker, to call attention to the fact that the Colorado delegation is here in full force this morning, all four Members being present, sitting in a row in brotherly harmony. [Applause.]

APPLAUSE

Mr. LAMBERTSON. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAMBERTSON. To ask how many times a Member in extending his remarks in the RECORD may include the word "applause"? One Member last week did that nine times. I thought six is the limit.

The SPEAKER. Does the gentleman submit that as a serious parliamentary inquiry?

Mr. LAMBERTSON. I regard it as serious, Mr. Speaker.

The SPEAKER. The reporters of debates are the ones to insert "applause" in the RECORD, when it occurs on the floor of the House.

Mr. KNUTSON. Mr. Speaker, is it permissible to insert "applause" in an extension of remarks; and if so, how many times?

The SPEAKER. The Chair feels sure that the gentleman from Minnesota, having been here for 20 years, is fully familiar with the rules with respect to that matter.

CONSENT CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on the Consent Calendar today be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. TEIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a recent magazine article written by myself.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for a few moments and to present a request for unanimous consent.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I had hoped the gentleman from New York [Mr. DICKSTEIN] would make his speech this morning, because it was my purpose to call his attention to the statement he made on the floor in the closing days of the last session, during the month of August, at which time he placed in the RECORD the names of a number of persons from St. Louis charging that they were members of a so-called Nazi group that he has referred to so often.

When I returned home some of those he had listed called on me and denied that they had ever had anything to do

with such activities and could not understand how Mr. DICKSTEIN had secured their names. I then suggested that they prepare a short affidavit and that I would ask Mr. DICKSTEIN to place them in the RECORD, adding that if he declined I would seek permission to do so.

Those affidavits were in possession of the gentleman from New York for several weeks. A few days ago he advised me, using his own language, "I am willing to give them the benefit of the doubt and concede that they did not belong to the organization, but I do not think I should put the affidavits in the RECORD." I then asked if he would object if I asked such permission. He said he would not.

Mr. Speaker, these people have lived in my city for many years. My investigation discloses they are law abiding and highly respected and object that a Member of Congress should list them as belonging to this group.

It might be interesting to the membership of the House to know that several hundred thousand persons residing in my city were born in Germany or their parents were born in Germany. Their loyalty to this country is shown by the number that joined the armed forces of this country during the World War as well as by their daily actions.

As to this organization and its activities I know little, but I do know that just a few weeks ago they announced a national convention would be held in St. Louis. Immediately another group composed of loyal citizens of our country, many either German-born or of German descent, arranged a protest meeting. This protest meeting was held. The national convention was never held because they were denied the use of any hall or hotel in my city.

As I advised the gentleman from New York at the opening of the present session when he sought permission to place names of residents of a California city in the RECORD, that he should be extremely careful in accepting the word of others without thorough investigation. Of course, the Members realize I have no sympathy for any organization that is not in sympathy with our form of government.

I ask unanimous consent that I be permitted to include them in my remarks—the affidavits I referred to.

The SPEAKER. Is there objection?

Mr. MAVERICK. Mr. Speaker, I reserve the right to object to say that I have seen names in the RECORD with apparently no foundation in fact. I think that when a Member puts names in the RECORD he ought to give his source of information. That has gone on week after week without any foundation whatever.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The affidavits follow:

STATE OF MISSOURI,

City of St. Louis, ss:

Christian Hauck, having been duly sworn on his oath, states that he is the president of the Hauck Bakery Co., located at 2801 South Seventh Street, St. Louis, Mo.

Affiant further states that he resides at No. 3641 Flad Avenue, St. Louis, Mo.

Affiant further states that he is a naturalized citizen of the United States, and has been for 45 years.

Affiant further states that he has never, either directly or indirectly, participated in any Nazi organization meetings nor has he taken any part, either directly or indirectly, in spreading any propaganda relative to Nazi organization, nor has he been directly or indirectly connected in any manner whatsoever with any Nazi movements.

Affiant further states that the publication of his home address after a name other than his own in the [daily] CONGRESSIONAL RECORD of August 19, 1937, on page 12049, has caused him much embarrassment in addition to the financial loss suffered by him.

Further affiant sayeth not.

CHRISTIAN HAUCK.

Subscribed and sworn to before me this 21st day of October 1937.

BOAZ B. WATKINS,
Notary Public.

My commission expires October 4, 1940.

[Affidavit]

STATE OF MISSOURI,

City of St. Louis, ss:

Emil Frei, being duly sworn, on his oath states that he was born in Dillingen, Bavaria, Germany, July 17, 1869; that he came to the

United States in 1894, going first to San Francisco, and proceeding thence to St. Louis in 1897; that he has lived in St. Louis continuously since 1897, has developed and conducted and is now conducting a stained-glass and mosaic business there.

Affiant further states that he became naturalized as a citizen of the United States in March 1914 and has performed all his duties as a citizen since said date; that he has three children, all of whom were born in the United States and have resided in this country continuously; that he has never at any time since his arrival in this country engaged in any National Socialist (commonly called Nazi) or any other German or other foreign politics of any kind whatsoever, nor has he at any time made propaganda for any such politics.

EMIL FREI.

Subscribed and sworn to before me this 27th day of October 1937.

NORMAN BEGAMAN,
Notary Public.

My term expires August 22, 1939.

[Affidavit]

STATE OF MISSOURI,

City of St. Louis, ss:

George M. Voges, being duly sworn, on his oath states that he was born in the city of Dresden, Germany, on February 25, 1878; that he came to the United States in 1909, proceeding immediately to the city of St. Louis, Mo., where he has resided ever since.

Affiant further states that he was married in the city of St. Louis on September 26, 1911; that the two children of his said marriage were both born in the city of St. Louis; that he became a citizen of the United States about 24 years ago and has ever since performed all his duties as such citizen.

Affiant further states that he has not at any time engaged in any National Socialist (commonly called Nazi) political activities or in any other German or other foreign political activities of any kind whatsoever, nor has he at any time made propaganda for German Nazi or other foreign politics.

GEORGE M. VOGES.

Subscribed and sworn to before me this 12th day of November 1937.

NORMAN BEGAMAN,
Notary Public.

My term expires August 22, 1939.

[Affidavit]

STATE OF MISSOURI,

City of St. Louis, ss:

Gustav A. Ashauer, being duly sworn, upon his oath states that he was born near the city of Munich, Bavaria, on January 4, 1874; that he came to the United States in 1889, proceeding first to the city of Chicago, where he was employed at his occupation of meat cutter.

That he went to sea, remaining about 12 years, and upon his return came to the city of St. Louis, Mo., in September 1906, where he has resided ever since.

Affiant further states that, as early as possible after his arrival in the United States, he executed his declaration to become a citizen and was naturalized 5 years later; that he has been variously employed in the city of St. Louis, and temporarily in the shipyards at Jacksonville, Fla., by the United States Shipping Board from June 1918 to April 1919; that upon his return from Jacksonville he was first employed for a time at Butler Bros. and later at Blackwell-Wielandy Book & Stationery Co.

Affiant further states that since April 1920 he has been employed by the United States post office in the city of St. Louis as laborer, performing the various duties assigned to him.

Affiant further states that he has resided continuously in the city of St. Louis since his return from Jacksonville in 1919, with the exception of a brief visit to Europe in the summer of 1928; that he was married in the city of St. Louis in 1913 to a native of what is now Czechoslovakia; that a daughter was born of this marriage who has received all her education in the public schools of St. Louis, graduating from the McKinley High School and now attending the Hadley Vocational School.

Affiant further states that, while he is a member of several German social organizations, he has never at any time been a member of any German or German-American political organization, nor has he at any time taken part in any National Socialist (commonly known as Nazi) activities, either in the city of St. Louis or elsewhere, or in any German political activities of any kind whatsoever.

GUSTAV A. ASHAUER.

Subscribed and sworn to before me this 17th day of November 1937.

[SEAL]

DAVID F. CROSSEN,
Notary Public.

My term expires March 28, 1941.

[Affidavit]

STATE OF MISSOURI,

City of St. Louis, ss:

Walter Luetettecke, being duly sworn, upon his oath states that he was born in Bochum, Germany, on the 8th day of May 1903; that he arrived in the United States on July 2, 1928, proceeding immediately to the city of St. Louis, Mo.

That since June 1, 1929, affiant has been employed in the office of the Hamburg-American Line in said city of St. Louis.

That on March 4, 1932, affiant was married to a native of St. Louis and that one child was born of said marriage in said city of St. Louis; that he has resided in the city of St. Louis continuously since his arrival in 1928 as aforesaid, was naturalized as a citizen of the United States in September 1935, and has since said time observed and performed all his duties as such citizen.

Affiant further states that he has not at any time been a member of any German or German-American political organization, and has never engaged or participated in any National Socialistic (commonly known as Nazi) political activities or at any time made propaganda for Nazi principles.

WALTER LUETTECKE.

Subscribed and sworn to before me this 17th day of November 1937.

[SEAL]

DAVID F. CROSSEN,
Notary Public.

My term expires March 28, 1941.

[Affidavit]

STATE OF MISSOURI,

City of St. Louis, ss:

Maud S. Barck, being duly sworn upon her oath, states that she is the wife of Dr. Carl Barck, with whom she resides at 3438 Russell Boulevard, in the city of St. Louis, Mo.; that she was born in the city of St. Louis on the 14th day of May 1870, received all her education in the public schools and at Mary Institute, in the city of St. Louis, and has resided in said city all her life;

Affiant further states that she was married to Dr. Carl Barck, a native of Freiburg, Baden, in the city of St. Louis, in 1891; that said Carl Barck was born July 29, 1857, graduated in medicine from the University of Freiburg in 1881, came to the city of St. Louis in 1882, where he was naturalized in 1891; that her said husband has practiced medicine in the city of St. Louis ever since 1882; has been for many years one of the outstanding ophthalmologists of said city; was, from the time of its organization, in about the year 1892, professor of ophthalmology at Marion-Simms Medical College and thereafter, after its conversion into the medical department of St. Louis University, professor in said department and is now professor emeritus of ophthalmology of said medical department of the St. Louis University;

Affiant further states that the two daughters born of her said marriage received their entire educations in the public schools of St. Louis and at Washington University, of said city, and the University of Missouri, respectively, and that the survivor of said daughters is married to a native-born American of English extraction;

Affiant further states emphatically that she is not now, nor has she ever been, a Nazi agitator; that she has not at any time been engaged, either actively or otherwise, in the spreading of propaganda, either in St. Louis or elsewhere, designed to build up the foreign Nazi National Social Party of Germany in our country, as charged by one SAMUEL DICKSTEIN in the House of Representatives of the United States on August 19, 1937; and that she has never at any time been a member of any German-American political organization and has not at any time engaged in any German political activities, Nazi or otherwise, or concerned herself with the political affairs of any country but our own.

MAUD S. BARCK.

Subscribed and sworn to before me this 29th day of November 1937.

[SEAL]

NORMAN BEGAMAN,
Notary Public.

My term expires August 22, 1939.

EXTENSION OF REMARKS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a bill introduced by me and also an editorial appearing this morning in the Washington Herald.

The SPEAKER. Is there objection?

There was no objection.

MR. LEWIS W. DOUGLAS

The SPEAKER. Under special order heretofore made, the gentleman from Minnesota [Mr. KNUTSON] is recognized for 20 minutes.

Mr. KNUTSON. Mr. Speaker, some days ago the newspapers of the Nation gave much publicity to an address by the Honorable Lewis W. Douglas, former Director of the Budget, ex-Congressman, and now president of McGill University, Montreal, Canada, which was delivered at the one hundred and twenty-first dinner of the Economic Club, of New York.

In his address Mr. Douglas suggested that businessmen see eye to eye with the policies of our Secretary of State in the extension of reciprocal-trade agreements.

Mr. Douglas suggests this "process of enlarging markets may inflict pain on certain groups," and asks, "But will they not be willing to suppress their own private interests for the benefit of the public welfare?"

Mr. Speaker, in reading the address delivered by Mr. Douglas I recall another impassioned plea made by that gentleman a few years ago while he was serving in this body as a Representative from the great copper-producing State of Arizona. The question of suppressing private interests for the public welfare was seemingly quite important in those days, but a different ox was being gored. At that time Mr. Douglas said:

I say that because of the effect of this foreign competition upon the copper-mining industry in Arizona practically every other industry within the State suffered.

The plea by Mr. Douglas can be found, Mr. Speaker, on pages 845-848 of the hearings before the Committee on Finance of the United States Senate considering the Revenue Act of 1932. It is from the statement of Congressman Douglas I now quote:

The evidence that has been adduced here this morning shows that because of the great pressure of foreign production the copper-mining industry of the United States, at least almost all of it, is faced with extinction. At least one great State of the Union and all of its people are faced with complete and absolute impoverishment. Permit me to give you a picture of the fiscal condition of the State of Arizona, and here may I interpolate that though I speak of the State of Arizona solely this morning, what I say is true or true in varying degree of 13 other States? I speak of Arizona because I know more of the conditions within that State than elsewhere. The copper mines, the railroads dependent solely upon them, and the communities that have been built up around them in the State of Arizona pay 56 percent of the total taxes of the State, which represents \$12,000,000 toward a total State budget of \$21,000,000. If the State of Arizona be deprived of that \$12,000,000 there will remain, Mr. Chairman, but \$2,000,000 after servicing the public debt and its political subsidy. Is that not conclusive evidence that at least one State is faced with permanent bankruptcy?

Thus did Mr. Douglas make a strong plea for adequate tariff protection to the copper industries of his State.

He further went on to say:

I am here pleading the cause of the American producer. I am here pleading the cause of American commerce, of American communities that depend entirely upon this great industry. I am here, sir, pleading the cause of the American miner.

Thus it was that Mr. Douglas pictured the ruin and bankruptcy which was sure to follow in his State unless adequate tariff protection was extended to the producers of copper.

All of this happened in April 1932. What combination of circumstances could possibly have changed Mr. Douglas' viewpoint?

Does he today find conditions materially changed from those of 1932? Are we not still importing, duty-free, copper and copper ores to the value of approximately \$3,000,000 a month? Have we not in the first 10 months of this year imported, duty-free, copper and copper ores to the value of over \$39,000,000? Would not this copper, if produced in American mines, have furnished employment to thousands of workers who otherwise are idle?

Mr. Speaker, changed associations of times work to change our outlook upon social and economic problems. Regardless of the opinions, however changed of Mr. Douglas, there can be no argument that the time has come when we must choose between abolishing the poverty that is in America and the mingling of it with the poverty of other nations.

This is the big issue today. Are we to break down our economic nationalism and substitute a system of economic internationalism? Are we to share the wealth of America with the poverty of Europe and the Far East? Are we to continue at home a system of subsidies to nearly one-half our people to keep them in indigence and idleness at the expense of those who work and produce to pay the taxes? Or shall we embark upon a program of domestic agricultural and industrial expansion that the field of greatest economic necessity—the supply of food, clothing, and housing—may be developed to care for all of our citizens?

Wisdom and economics point to the latter course as the pathway to a new prosperity.

If tariff protection is good for copper, why not for all other domestic products that come in active competition with the products of the world? The principle of protection is the cornerstone upon which the Republican Party has rested for

75 years. Under the benefits derived by the American people from the protective-tariff system we grew and expanded in a manner that was the marvel and envy of the world. To ask us at this time to depart from that policy is as preposterous as it is fantastic.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. ROBSION of Kentucky. We already have a reciprocal-trade agreement with Canada.

Mr. KNUTSON. That is true.

Mr. ROBSION of Kentucky. Mr. Douglas, a former Member of this House, is a good Democrat, and a former Director of the Bureau of the Budget, is now president of a Canadian university.

Mr. KNUTSON. Yes.

Mr. ROBSION of Kentucky. There is talk now of our entering into a reciprocal-trade agreement with Great Britain. I wonder if the fact that Mr. Douglas is now in Canada connected with this Canadian university might have some bearing on his urging us to go into further reciprocal-trade agreements?

Mr. KNUTSON. Not being Mr. Douglas' father confessor, I am unable to answer the gentleman's query.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes; to the distinguished minority leader.

Mr. SNELL. As I understand from the gentleman's statement, the distinguished gentleman, formerly from Arizona, Mr. Douglas, has changed his position in regard to the tariff since he has become a Canadian college president, from what he advocated when he was looking after the interests of the copper producers of his own State. Is that the situation?

Mr. KNUTSON. Yes. Mr. Douglas appeared before the Senate Finance Committee back in 1932, and, as I recollect it, also made a speech on the floor of the House pleading for a tariff on copper.

Mr. SNELL. I remember his speech on the floor of the House.

Mr. KNUTSON. Advocating a protective tariff on copper, saying that if Arizona and other copper-producing States did not receive such a tariff they would go bankrupt.

Let me say to the distinguished minority leader that if it is necessary for the Guggenheims, the Morgans, and the other big fellows who are engaged in the copper industry to have protection, how much more necessary is it for the little fellow to have it? [Applause.]

Mr. SNELL. I agree with the position the gentleman has taken.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to my friend from Maine, Governor BREWSTER.

Mr. BREWSTER. The gentleman has been for a long time a member of the House Committee on Ways and Means.

Mr. KNUTSON. For about 6 years.

Mr. BREWSTER. Dealing with tariff matters.

Mr. KNUTSON. Yes; but may I say that under the new order the work has been along destructive rather than constructive lines.

Mr. BREWSTER. Does the gentleman consider that Mr. Douglas was affected by the fact that he was talking to the Economic Club, where the economic royalists gather?

Mr. KNUTSON. Of course, the economic royalists want free trade. They have gone abroad and established factories in almost every line of activity. They want to produce in foreign countries, where labor is cheap, and ship their products to this country, where they can make a handsome profit.

Mr. BREWSTER. Now, in the tariff discussions has anyone ever contended, even Secretary Hull, that we should not have adequate protection on any commodity of which there is an adequate supply, reasonably priced, in the United States?

Mr. KNUTSON. Let me say to the gentleman from Maine that in some of the reciprocal-trade agreements that have

been made we have made material concessions on competitive products.

Mr. BREWSTER. Even though there was an adequate supply in the United States?

Mr. KNUTSON. Oh, absolutely. I will call the gentleman's attention to a situation in his own State. The reciprocal-trade agreement with Canada gives that country a preferential rate on potatoes. Is that not true?

Mr. BREWSTER. That is correct.

Mr. KNUTSON. Nevertheless we today have a domestic surplus of 50,000,000 bushels of potatoes that this Government is buying up for distribution for relief and for diversion to starch and livestock feed.

Mr. BREWSTER. Does the gentleman realize that at the same time, within the past 10 months, 750,000 bushels of Canadian potatoes have come in under that tariff concession?

Mr. KNUTSON. Unfortunately, what the gentleman says is true. I wish it were not.

Mr. BREWSTER. On what basis is action of that sort justified for the American producer?

Mr. KNUTSON. Oh, I presume on the theory that the spirit of brotherly love and the good neighbor should prompt us to divide our home markets and our substance with everyone, wherever he lives, whatever he does, even though he lives and works in the farthest sections of Asia.

Mr. BREWSTER. Would nearly a million bushels of Canadian potatoes, added to the 50,000,000-bushel American surplus, have a part of the responsibility for the present price of 7 cents a peck for American potatoes that is now being paid to the farmers in northern Maine?

Mr. KNUTSON. The gentleman knows that the greater the surplus is the more the price is depressed. When you have but a small surplus it is oftentimes sufficient to turn a buyer's market into a seller's market.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to my colleague.

Mr. ANDRESEN of Minnesota. Just to pursue the potato proposition for a moment in order to give some information to my friend from Maine, the Department of Agriculture, through its purchase corporation, is now going out to buy potatoes, potato starch, and potato flour in the district of the gentleman from Maine and also in other sections of the United States. They will probably buy two or three hundred thousand bushels of potatoes to hold the price up. The gentleman from Maine says nearly a million bushels of potatoes have come in from Canada. They will probably buy up the potatoes that come from Canada in order to take them off the market and hold up the price.

Mr. BREWSTER. I wish it to be clear in the RECORD that we are profoundly appreciative of the interest which the Department of Agriculture is taking in our potato problem, but we cannot understand why Secretary Wallace does not inform the Secretary of State that it would be very prudent to stop the importation of Canadian potatoes in order to save the Treasury of the United States and help the American potato grower. If Secretary Wallace will ask Secretary Hull to stop the importation of foreign potatoes, as he can do under the provisions of the trade agreements, Secretary Morgenthau would receive very substantial assistance in his endeavors to balance the Budget.

Mr. KNUTSON. Let me say to the gentleman from Maine that the Secretary of State and the Secretary of Agriculture are avowed free-traders. If they had their way, all trade barriers would be removed. There would be free and unrestricted commerce between all the countries of the world.

Perhaps such a policy would lead to the more abundant life, but I have my doubts. I am one of those old-fashioned Americans who believes that we should buy and consume everything that is raised in this country that we possibly can, and that we should allow no competitive products to be brought into this country so long as the domestic supply is sufficient to take care of domestic needs.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to my good friend from Vermont.

Mr. PLUMLEY. I would like to ask a question, which I have asked several times, and which has appeared in the RECORD several times. Is it not carrying the good-neighbor policy altogether too far to ask one to approve an agreement which deliberately and directly robs his own people of their property, at the same time forcing them onto the relief rolls through no fault of their own?

Mr. KNUTSON. If you want me to pass upon that—

Mr. PLUMLEY. Upon the good-neighbor policy extended to an absurd reduction.

Mr. KNUTSON. Of course, personally I think the policy is indefensible. I am satisfied that if we had not negotiated some of these trade agreements we would not now be in the midst of another depression, with 11,000,000 American men and women out of work—the high-water unemployment mark for all time since 1932. We have increased the national debt from \$22,000,000,000 up to almost \$38,000,000,000. In other words, the American people today owe a public debt—that is, so far as the Federal Government is concerned—that represents almost \$38 for every minute since the beginning of the Christian era.

We are now going into another depression and we have no cushion to fall on. Our credit is practically exhausted. There is a limit beyond which people cannot maintain their credit.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to my genial friend from Oregon.

Mr. PIERCE. I sympathize somewhat with the gentleman's views on the reciprocal tariff and the statements he has been making, but did the high Republican tariffs, the Fordney tariff and the Hawley-Smoot tariff, stay the hand of depression? It is not deeper than any tariffs? I am talking about the present depression.

Mr. KNUTSON. I shall answer the gentleman by asking him another question: Does the gentleman contend that the Hawley-Smoot tariff bill was responsible for the depression in Canada, for the depression in Great Britain, for the depression in France, Belgium, Germany, Italy, the Scandinavian countries, the Orient, South America, and the Antipodes? Does the gentleman contend that American tariff laws were responsible for a world-wide depression?

Mr. PIERCE. Nobody so contends.

Mr. KNUTSON. The Hawley-Smoot tariff bill was no more responsible for the depression in this country than it was for the depression that at that time existed all over the world. That depression was not caused by the tariff, it was a kickback from the war that you folks promised to keep us out of back in the campaign of 1916.

Mr. PIERCE. But the Hawley-Smoot tariff did aggravate the situation.

Mr. KNUTSON. Oh, no; it did no such thing.

Mr. PIERCE. I am not contending that the tariff alone was, but it was a contributing factor.

Mr. KNUTSON. The people in 1932, of course, were ready to believe anything, because of the work of your clever political chemists in mixing up the right kind of doses for them.

Mr. PIERCE. I do not want the gentleman to forget that I did not vote to renew the reciprocal-trade agreements.

Mr. KNUTSON. Did the gentleman vote for it the first time?

Mr. PIERCE. Yes.

Mr. KNUTSON. The gentleman admits he then made a mistake?

Mr. PIERCE. I did not vote to renew them.

Mr. KNUTSON. I will say for the gentleman that he is man enough to admit that he made a mistake in voting for the iniquitous reciprocal tariff law that is robbing us of our home market. That is more than nine-tenths are willing to do.

Mr. PIERCE. I do not, however, want the gentleman to lay all the evils of the capitalistic system and its collapse to the tariffs. May I advise the gentleman to read a recent book just from the press, written by Lundberg, *Sixty American Families*, if the gentleman wants to see who rules America and who has ruled it since the beginning.

Mr. KNUTSON. And I, too, shall be glad to send the gentleman titles of some books he might read with profit. [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the housing bill, which was passed last Saturday, and to include in my remarks a statement generally relating to the matter by Dr. George L. Knapp, covering a page and a half, such as you see.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER pro tempore. Under the special order of the House, the gentleman from Pennsylvania [Mr. RICH] is recognized for 15 minutes.

Mr. RICH. Mr. Speaker, this is probably the last time I shall have the floor during the year 1937. [Applause.] Many of the Democrats are glad because I do not speak very kindly of this administration—and I would if I honestly could; but to you all, and this includes the Republicans, too, I wish you each and every one a fine Christmas season and a very happy New Year. [Applause.]

I call the attention of the Members to the fact that this special session was called for the purpose of trying to regiment agriculture and for the reorganization of the Government departments. In this connection I quote from the Democratic platform of 1932 the following plank:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagances to accomplish the saving of not less than 25 percent of the cost of Federal Government.

I quote a statement made by the President of the United States on November 4, 1932:

The people of America demand a reduction of Federal expenditures. It can be brought about not only by reducing the expenditures of existing departments, but it can be done by abolishing many useless commissions, bureaus, and functions; and it can be done by consolidating many activities of the Government.

This is the most extravagant administration in our history of 150 years.

This special session was called for the purposes I have outlined, but not a thing has been accomplished in consolidation of offices or reduction of expense. There will not be anything accomplished in that line—and I make this statement most reluctantly—as long as this administration is in power, you will never economize or consolidate offices as you promised to do. I certainly hope this Congress recognizes this fact and tries to do something. It is imperative. You must cut down Government expenditures and your greatest opportunity is in the field of cutting down useless departments and consolidating other activities.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I cannot yield until I finish my statement. Then I will yield to the gentleman if I have time.

I read in the Philadelphia Record this morning an editorial condemning the Members of Congress from Pennsylvania who did not vote for the wage and hour bill, saying they were against labor and for the sweatshops. I call the attention of the Philadelphia Record and you Members of Congress to the fact that labor standards in Pennsylvania under the department of labor and industry, which was administered during a Republican administration and which is now being administered by a Democratic administration, are about as high as any labor standards of any State in this Nation. This statement cannot be denied. If these high standards do not exist, why, for the last 3½ years, has not the Democratic administration of the department of labor and industry of our State done something to correct the conditions? They talk about sweatshops in Pennsylvania. We do not have sweatshops in Pennsylvania. Pennsylvania pays practically the highest wage of any State in the Union. Our laws are good, and they have been and are being enforced.

The State of Pennsylvania has been in the forefront in the enactment of legislation favorable to the workingman and protecting his best interests. This legislation has come during Republican administrations. No better example of the liberal attitude of the industrialists of my State than the Workmen's Compensation Act passed years ago under Republican leadership. Unlike our Democratic friends, it has been the policy of Pennsylvania Republicans to protect the interests, the pay rolls of our workmen against the cheap competitive labor of nations abroad. Our new dealers here in Congress from Pennsylvania favor selling out the interests of our workmen in Pennsylvania to the cheap foreign labor under the policy of reciprocal-trade agreements. Again it should be noted that these same new dealers from Pennsylvania last week favored a wage and hour bill fixing the age of child labor at 14 when our State age is 16 and would thereby further barter away our industrial interests in Pennsylvania or invite a reduction to a lower standard than that which we have established.

But our great problem in Pennsylvania is the tremendous crushing burden of State taxes imposed by the present New Deal administration in our State which is daily driving industries from our State and driving thousands of our people from pay rolls to relief rolls. That administration in Pennsylvania is the most profligate, extravagant, and wasteful band that ever invaded any State capital. This profligacy added to the sell-out of our workingmen's best interests to the C. I. O. outfit for political purposes means the destruction of Pennsylvania industry and the freedom of Pennsylvania workmen. As all of you know, the American Federation of Labor was unalterably opposed to this bill which our new dealers from Pennsylvania supported and which would have forged chains of slavery on every wage earner in the Keystone State.

Mr. TRANSUE. Will the gentleman yield?

Mr. RICH. I cannot yield at this time. With the department of labor functioning in Pennsylvania, we have no such thing as child labor.

Mr. BOLAND of Pennsylvania. Will the gentleman yield?

Mr. RICH. I will yield when I finish my remarks.

If we have child labor in Pennsylvania, the department of labor should act to eradicate it.

When the Philadelphia Record deemed it advisable for political reasons to condemn Members because they did not vote for the recent wage and hour bill, we must remember that bill would have set up the greatest dictatorship this country has ever had, and probably greater than any other bureau of Government now established if that bill, which was presented last week by the administration and endorsed by the C. I. O., had been passed. No one can deny that. Every industry would have had a bureau of its own. The good that we were told would have been derived therefrom would not have been accomplished because of the operation of the various political machines in the different States preying upon the boards. There would have been a tremendous burden placed upon the people of this country to administer a poor-thought-out law.

When we think of industry in this country, and when we think of the people who are hunting jobs all over the country, may I say to the Members of Congress that we should direct our attention toward trying to do something to give business an opportunity to go ahead, or else you are not going to have any jobs in this country for anybody. You have hamstrung industry now to the point of strangulation and this administration is responsible. Did you plan it that way?

Let me call attention to one part of the President's message as given to us when we assembled December 15:

Although there are geographic and industrial diversities which practical statesmanship cannot well ignore, it is high time that we had legislation relating to goods moving in or competing with interstate commerce which will accomplish two immediate purposes:

First, banish child labor and protect workers unable to protect themselves from excessively low wages and excessively long hours.

Second, end the unsound practice of some communities—by no means confined to any one section of the country—which seek

new industries by offering as the principal attraction labor more plentiful and much cheaper than may be found in competing communities. To them the Congress should reiterate the oft-repeated pledge of political parties that labor is not a mere commodity.

Mr. Speaker, I agree with the President of the United States when he makes that assertion. I want to show what some sections of the country have been doing to take industries away from the State of Pennsylvania which have high standards, industries that have been taking care of their people, industries which have been paying high wages and have eliminated sweatshop conditions. You have all noticed in various magazines the advertisements of the Governors of the following States: North Carolina, South Carolina, Alabama, Georgia, Florida, Louisiana, Tennessee, Kentucky, and Mississippi, in which they try to lure the manufacturers of the North with the promise of ample power at low rates. They offer the promise of giving industries the benefit of T. V. A. low rates at less than cost, this electricity being produced at the expense of the American taxpayer. They also promise efficient native-born labor at reasonable rates.

Let me show you what is being promised manufacturers in the State of Pennsylvania. I shall quote from this letter but instead of using the actual name I will call this gentleman Mr. Blank. I quote:

I think it will be of interest to you to know that the State of Mississippi is using a very clever scheme.

First, these politicians who claim to be at such variance with the methods of the public utilities are working hand in hand with high-pressure representatives of the public utilities to contact mills in the North, and this is the scheme that was used with ——— concern. A very high-pressure representative of a utility company in Mississippi contacted the company here and induced them to consider a vacant factory building in Gulfport.

Of course, this high-pressured individual gives them all kinds of data relating to lower wages, no taxes, and other advantages that the communities in the South have to offer.

Second, he provided a nice luncheon with Senator ———, for ———, and his partners; and Mr. ——— personally told me that when he inquired as to the labor rates that they expected him to pay in Gulfport, in the State of Mississippi, he advised Mr. ——— that if he would pay from \$7 to \$9 that that would be highly agreeable to them, because they had figured it out that the average individual in the State of Mississippi can live on approximately \$1.83 per week.

I believe that such conclusions on the part of the Senator from Mississippi are at variance with his political outbursts on the floors in Washington.

Next, they arranged a dinner with Gov. Hugh White, again flattering the manufacturer from the North. Mr. ——— personally told me that at this dinner he asked Governor White what his attitude was toward organized labor, and Governor White answered that question in the following manner. He said: "No doubt, Mr. ———, you are conversant with the strength of the Longshoremen's Union." Mr. ——— answered by saying, "Believe they are one of the strongest unions in the world."

The Governor then advised Mr. ——— that when they had trouble on the Pacific coast—meaning the longshoremen—they came into New Orleans in the morning, and they got their men to go out on strike; but by the middle of the afternoon he had National Guards with fixed bayonets at the dock and forced these troublemakers to leave.

This, again, I believe, is not in harmony with New Deal's front toward labor, although it may be in harmony with actual practices, as new dealers in the South feel toward labor. I myself am acquainted with a man in Pennsylvania by the name of ——— who operates sawmills and has some expensive cotton and wheat growing operations in North Carolina. He himself has personally told me that all that has been necessary for him to pay in that region has been 75 cents per day. In the same breath he tells me that the poor devils eat food that you or I would not give our dog.

As black as we northern manufacturers have been painted by so-called "southern politicians," we have never allowed our self-respect to sink to such a low degree; nor have we allowed the class distinction to be so great between manufacturer and employee as it is exhibited in the South.

May I say I have no animosity toward anyone, but the fact is that in States like Pennsylvania the manufacturers are trying to do what is best for the employees. I stand here before you as a Pennsylvania manufacturer and I do not have to put my head under a cloak or hide behind anything, because I am proud of it. I may say I am not the best manufacturer in this country, but I try my best to obey the Golden Rule so far as I can. Of course, I cannot always do what I want to do, nor what others would have me to do.

May I say to the Philadelphia Record that the manufacturers in the State of Pennsylvania have had their taxes increased over 600 percent in the past 4 years, and if the Philadelphia Record does not want all of the Pennsylvania manufacturers to go South they had better pursue a different policy. Of course, we want to control the ruthless manufacturers, and I want to curb them as well as any other Member of Congress, where they do things that are wrong, but let the Record keep its own house clean and pure and I believe they will. If we do not do something in Pennsylvania to give manufacturers and labor some opportunities, we are not going to have any manufacturers in Pennsylvania, and Pennsylvania is going to become a backward State under the regime we have at the present time.

You recall we took a hurried national census a month ago and we did it in 4 days. You have not heard a word about it, and the reason is that so many people were unemployed they are ashamed to pass the information out to the public. If a similar census were taken day, you would find the number of unemployed would be increased about 3,000,000, according to a statement in the labor paper this morning.

We find ourselves in a desperate situation. I hope the Members of Congress will give some consideration to the repeal of the undistributed-profits tax, because I believe this tax is doing more damage than any other law you have enacted. Further, I do not believe it is bringing in one-fourth of the money you thought you were going to get. If necessary, increase the corporate tax 2 or 3 percent, enough to make up the resultant loss of revenue, to make it up. The repeal of this tax law will reduce unemployment to a greater extent than anything else you can do. [Applause.]

[Here the gavel fell.]

Mr. BOLAND of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania may be allowed to proceed for 2 additional minutes, in order that I may interrogate him.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND of Pennsylvania. The gentleman has made the statement there are no sweatshops in Pennsylvania. May I recall to the gentleman's memory the parade in Johnstown led by the wife of the former Governor in Pennsylvania, Mrs. Pinchot, in protest against the sweatshops in Pennsylvania? May I also remind the gentleman of the commission which was appointed to investigate sweatshops in Pennsylvania?

Mr. RICH. Let me answer the statement about Mrs. Pinchot. If there were sweatshops in Pennsylvania at the time Mr. Pinchot was Governor, why did she not point them out to the Governor and show the people of Pennsylvania where they were? The answer is, no one could point out any sweatshops. If it had been done, the Governor is such a man that he would have eliminated them, this I know because he did what he said he would do.

Mr. BOLAND of Pennsylvania. Whatever elimination of sweatshops there has been has been done by the Democratic administration, and the gentleman knows it.

Mr. RICH. Nothing has been done by the Democratic administration as far as the regulation of sweatshops is concerned, we did not have any when they came into power.

Mr. BOLAND of Pennsylvania. Let me tell the gentleman the Democratic administration in Pennsylvania has passed more laws for the benefit of the people than did the Republican Party in the entire 57 years it was in control.

Mr. RICH. We eliminated child labor long before the Democratic administration came into power. We gave the people of Pennsylvania laws whereby we eliminated the sweatshops, and there was none in the State of Pennsylvania at that time. Nobody knows this better than the gentleman from Scranton, Pa.

Mr. BOLAND of Pennsylvania. Legislation put upon the statute books by the Democratic Party eliminated the Republican Party from any chance of coming back into control in Pennsylvania for a great many years.

Mr. RICH. The gentleman will find at the next election the Republican Party will be back, and it will do away with half the laws you Democrats have enacted, or else change them materially, because you are going to drive industry out of the State of Pennsylvania and labor will suffer greatly. More poor laws have been passed under this administration than have ever been known in the history of the State in the same length of time. You will find that instead of Pennsylvania growing as a manufacturing State it is going to go back and back and back. It is really too bad for the old Keystone State.

[Here the gavel fell.]

Mr. SACKS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SACKS. Mr. Speaker, will the gentleman yield for a question?

Mr. RICH. Certainly. If you Democrats have anything good to bring out, bring it out. I would like to hear it. I have not yet heard of any such thing in the last three and a half years, since you have been in power.

Mr. SACKS. The gentleman has made the statement that the Republican Party did away with sweatshops and child labor. Does the gentleman know Governor Pinchot appointed a Republican commission, which found that Pennsylvania had more sweatshops and more exploitation of child labor during his administration than ever before in the history of the State?

Mr. RICH. I may say to the gentleman from Pennsylvania I will give him \$5 for every sweatshop in the State of Pennsylvania he can name. Now, start. I will ask for an hour's additional time. Name one, now; name one.

Mr. SACKS. How about Elkland?

Mr. RICH. That is one of the best manufacturing firms in the State of Pennsylvania. They pay high wages, have good working conditions, and they are fine people; they employ about 1,200 men and are paying them a good, high wage rate, and the gentleman should know it. If you call it a sweatshop and should go up there, the employees would ride you out of the State of Pennsylvania on a rail.

Mr. SACKS. I would like to ride the sweatshops out of the State of Pennsylvania on a rail.

[Here the gavel fell.]

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRADLEY. Mr. Speaker, I am very pleased that I happened to walk into the House while my colleague the gentleman from Pennsylvania [Mr. RICH] was speaking, and I am delighted to hear of his interest in working conditions in Pennsylvania. I take it for granted that as a rule he would pay attention to requests from his constituents regarding working conditions in Pennsylvania. A couple of weeks ago I happened to be reading the Philadelphia Record, and I clipped out of their "Mail Bag" column a copy of a letter which was sent to the gentleman from Pennsylvania. I had it in my wallet when I came in and heard him speaking. I suppose he pays attention to the requests of his constituents and the workingmen.

The letter is as follows:

We have sent the following letter to Congressman RICH, House of Representatives, Washington, D. C.:

"DEAR SIR: For the benefit of the working people in your district, will you be so kind as to sign the petition to release the wage and hour bill from the reactionary Rules Committee?"

The gentleman from Pennsylvania [Mr. RICH] had very little to say during the debate on the wage and hour bill. I do not believe I heard him speak very much on the floor at that time, although at other times he seems to occupy the floor for endless periods. Here is a request from his con-

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stituents, workingmen, who tell him the wage and hour bill is essential for their welfare. He paid so little attention to it that he did not sign the petition and did not vote for the bill.

Mr. RICH. That letter came from the C. I. O., and I do not recognize them.

Mr. BRADLEY. It came from citizens in the gentleman's district.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to print in the RECORD as an extension of my remarks a letter written by Postmaster General Farley.

Mr. MICHENER. Mr. Speaker, reserving the right to object, how many speeches of the Postmaster General does this make that have been inserted in the RECORD today?

Mr. LUDLOW. This is not a speech but a letter.

Mr. MICHENER. It seems to me there have been about three of these speeches a day put in the RECORD for the past several months.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by including a letter from the Postmaster General. Is there objection?

Mr. MICHENER. We have got past the speech stage and now we are putting in his letters, is that it?

Mr. RICH and Mr. KNUTSON rose.

Mr. RICH. Mr. Speaker, reserving the right to object, we want to know what the gentleman is putting in here. They have almost completely filled this RECORD with speeches of the Postmaster General. He has had more speeches in the RECORD than any Member of Congress.

Mr. LUDLOW. I may say to the gentleman that the Postmaster General should be acquitted of any and all blame for what I am doing here, because he does not know anything about it. This is a very interesting letter which the Postmaster General wrote to Everett C. Watkins, Washington correspondent of the Indianapolis Star, in regard to the abolishment of the post office in the village where Mr. Farley was born. I think everybody would enjoy reading it, and I would like to put it in the RECORD. I would like to include Mr. Watkins' reply, which also is brilliant and entertaining.

Mr. RICH. If everything has gone to pot in his home town and they are going out of business there, something ought to be done to help.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, if there is a case on record where the Postmaster General has recommended the abolishment of a post office or the doing away of a postmastership I think we should know about it, and I hope no one will object.

Mr. LUDLOW. I think so, too, and this is such a case.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes following the remarks of the gentleman from New York [Mr. FISH].

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and any legislative matters that may come before the House, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 25 minutes.

Mr. FISH. Mr. Speaker, I propose to speak on a serious issue in a serious vein and without any degree of partisanship. The issue involves the question of peace or war.

I do not agree with those leaders in this House who seem to feel that members of the Foreign Affairs Committee should not discuss this highly important subject at the present time. Only a few days ago the gentlewoman from Massachusetts [Mrs. ROGERS], a member of the Committee on Foreign Affairs, was publicly rebuked by the majority leader for daring to refer to the Japanese situation in connection with the imports from Japan, and for making some reference to the Neutrality Act. This House used to be the greatest deliberative body in the world. If there is any issue that should be discussed openly and freely upon the floor of the House, it is that involving the peace of our country.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mrs. ROGERS of Massachusetts. It seems as if the majority leader is having so much difficulty with his own side that he tried to guide the speech of Members of the minority.

Mr. FISH. I will only say to the gentlewoman from Massachusetts that it does not make any difference to me what the subject is, the only right and power that we of the minority have is that of expressing our sentiments upon the floor of the House in view of a 4-to-1 majority against us. Certainly, the sinking of the *Panay* is a major issue and one in which the American people back home are vitally interested. They want leadership and facts to go by, but all they have gotten up to the present time is what they see in newspaper articles or editorials or what they hear from Senators in the other branch of the Congress, or statements from the Secretary of State. On this momentous question of peace or war the House of Representatives has equal rights with the Senate in every degree and in every respect. The sinking of the *Panay* has nothing to do with the Senate's power to ratify treaties. It has to do with our American peace policy and the preservation of peace. It is far more important than party affiliations. It is a great American issue and I propose to address my remarks along American lines without regard to partisanship.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHANLEY. Is it the gentleman's purpose in the course of his remarks to tell us just what the State Department has divulged?

Mr. FISH. It is; and I will answer the gentleman by saying that I doubt if the State Department has now or will have any information that every American cannot have by reading the newspapers, because in the sinking of the *Panay*, as the gentleman will recall, there were newspapermen aboard the ship who were witnesses to everything that happened and were also victims of the situation. They have reported back a full account of what they themselves witnessed.

The American people must not under any circumstances become hysterical and beat the war drums. We must wait for all the facts and the Japanese answer to our demands, and not add fuel to a dangerous situation by threats and talk of war. The deliberate bombing of the American gunboat *Panay* by Japanese airplanes was an international tragedy. You can almost hear the beating of the wings of the angel of death as she hovers over America and Japan. However, I believe that if our Government and our people keep their heads a complete and satisfactory settlement can be reached by arbitration and peaceful means.

I want to go on record, not as the ranking Republican member of the Committee on Foreign Affairs but as a minority member of the House and as a veteran of the World War, as supporting the President and supporting the Secretary of State in their legitimate demands upon Japan for an immediate apology, for payment of compensation, and for definite guaranties that such incidents and attacks upon American warships, upon the American flag, and upon American citizens shall cease in the Far East.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. KNUTSON. It has been suggested that in view of the fact that all the remedies that have been tried heretofore to prime the pump and make it gush forth a new stream of prosperity having failed, that perhaps we might try war. We have tried everything else. Has the gentleman any thought on that as a cure for the new depression?

Mr. FISH. I prefer not to discuss that at present. I loathe and abhor war. There is not a man or woman in this House who loathes or abhors it more. I am willing to go the whole way with the President in legitimate and justifiable demands, and I believe such demands will be acceded to by the Japanese Government, because it is my conviction that the Japanese nation does not want war any more than we do—that the Japanese people, that the Japanese Government, that the Japanese high command are as much against war as the American people.

However, if certain Fascists and militaristic-minded junior officers who participated in this deliberate attack upon the *Panay* represent public opinion in Japan, then I am completely wrong in my statement. I think that they merely represent their own attitude, that they got out of hand, and I am willing to predict right now that the Japanese Government, from the highest authority down, will within the next few days acknowledge publicly the demands made by the President and accede to those demands without further delay or evasion.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. FISH. For a brief question.

Mr. FITZPATRICK. Assuming they refuse to accede to the demands, what is the gentleman's suggestion for our country to do?

Mr. FISH. I shall discuss that situation later on.

Mr. FITZPATRICK. Would the gentleman declare war?

Mr. FISH. I certainly would not declare any war until all of the facts are presented, and we have exhausted every honorable way to preserve peace. Let me proceed with my remarks, and I shall answer the gentleman from New York and also answer more fully the inquiry of the gentleman from Minnesota [Mr. Knutson]. What the gentleman from Minnesota wants me to say, and I have been trying not to say it, because I do not want to be thought partisan in these remarks, is that I did not agree with the statement of the President when he proposed that we quarantine certain nations, that we enter into collective action against them, and that we were on the brink of war and could not keep out. I do not agree with that international ideology or philosophy at all.

I do not believe in any such internationalism, that we must police China or Japan or any other nation in the world. But, answering the gentleman from New York [Mr. Fitzpatrick], I do not believe in crossing a bridge until we reach it. At the present time, as far as I want to go, is simply to say that I am convinced that the American people, Republicans and Democrats alike, should stand on a common platform, an American platform, upholding our rights and demanding justifiable apologies, compensation, and guaranties. We can do no less, and when that is done we have done our full duty. The next move is up to Japan.

Mr. FITZPATRICK. What would be our move if they refuse to accede?

Mr. FISH. I am not willing to anticipate a refusal by Japan.

Mr. FITZPATRICK. If they refuse, what would the gentleman do?

Mr. FISH. We will cross that bridge when we get to it, but I do not believe that it will be necessary.

Mr. FITZPATRICK. The gentleman said the next move would be up to Japan.

Mr. FISH. It is up to Japan, and we should give the Japanese Government a reasonable time to answer; but as far as I am personally concerned, I believe war with Japan would be criminal folly—with nothing to be gained and everything to be lost. I am opposed to war because I have

seen war more than most of the Members of the House except the war veterans, and I regard it as mass suicide.

I regard war as having been changed completely in the last generation, because today it means that a whole nation goes to war. If a few sailors have been killed, whose death we deplore, it is better to try in every possible and honorable manner to reach a settlement on a peaceful basis, and I hope to God that we can, instead of going to war at the sacrifice of a hundred thousand or perhaps a million lives and maybe wrecking the country and civilization. Every American must agree that the deplorable situation requires a considerable amount of thought before any such action should be taken. War should be the last resort after all efforts at peaceful arbitration have failed.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. McCORMACK. I think everybody can agree with that statement of the gentleman from New York, everyone with common sense, but the question I have in mind is wherein does the gentleman disagree in connection with this unfortunate happening with what the State Department and the President have done in connection with that happening to date?

Mr. FISH. I, of course, have a motive in speaking, and I shall develop the motive as I go along. I am in entire accord with every step taken by the President and by the Secretary of State up to date. I have, as the gentleman knows, said on the floor of this House that I think our gunboats should be withdrawn from China.

I am still in favor of that policy, but I do not propose to urge the withdrawal of our ships under coercion when our flag is under fire and our gunboat attacked. The American flag is not hauled down in face of threats. I would not withdraw a single gunboat or a single soldier as long as they are threatened or coerced or under attack by a foreign power. [Applause.]

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHANLEY. I agree with the gentleman wholeheartedly. I assume that when these difficulties are over the gentleman foresees an abandonment of the open-door policy in the Far East. Is that true?

Mr. FISH. I do not want to go into that question in this limited debate, because that raises a whole history of conferences and agreements. We even entered into agreements at the time of Secretary Root and Secretary Lansing with Japan, giving the Japanese special rights in China. Assuming Japan conquers China, she will have, by conquest alone, special rights there. Whether that will affect the open-door policy I do not know, but I want to say this to the House, which the American people do not seem to understand, that when you talk of the open-door policy with China, we only do \$50,000,000 worth of trade with China, and we do over \$200,000,000 worth of export trade with Japan. This year alone we will sell Japan \$300,000,000 worth of goods, and we will buy in return \$200,000,000 worth of goods from Japan. I do not think we can reach any agreement about the open-door policy until we know what the outcome of the war in China is. I think we would be wasting our time talking about it at the present time.

The reason I have taken the floor today is because I am fearful, with this serious situation confronting America, with our national honor impugned by an attack upon one of our warships by a foreign nation, that certain elements in our country will try to inflame our people with hatred against Japan and promote boycotts, embargoes, reprisals, and threats. I submit that in this country today the Communists, the Russians, the Chinese, and possibly some British subjects are spreading propaganda up and down this land to inflame the passions of the American people and to excite them into threats and reprisals against Japan. When it comes to boycotts, I sympathize with the American Federation of Labor.

I am a protectionist. I know that the goods produced by Japanese labor at 20 cents a day is flooding our country, and

that in a certain Ohio city the other day many thousands of men lost their jobs on account of Japanese imports. But their fight is not with Japan. Their fight is with the administration who does not give them adequate protective duties to safeguard those industries and their jobs. They have no fight whatever with Japan. We sell \$100,000,000 worth more goods to Japan than we buy, but nevertheless this idea of boycott is spreading like wildfire, and anybody who has studied past international disputes and wars knows that the most serious factor has been trade and commerce. Anyone who knows anything about Japan knows that the Japanese are highly sensitive, highly patriotic; a proud race, and a militaristic race.

So, if a boycott against Japanese goods spreads throughout the country, those same passions that are aroused in America will be correspondingly aroused among the Japanese people. I have seen no signs that the Japanese want any difficulty with America. They tell me the Japanese people all over their country have gone out of their way to make their sentiments known by acts of courtesy to Americans in Japan, by giving them gifts and making presentations of all kinds. But if we adopt this provocative policy and permit it to spread—that we will not buy from Japan, that we will boycott her, that we will go further into embargoes, reprisals, and economic sanctions—then I say it is a step toward war; that war is inevitable if you pursue a policy of that kind against a first-class fighting and commercial power like Japan.

As soon as the Chinese war is over, and it looks like it is about over, and we continue this dangerous policy without any advice or hindrance from the administration—and here is where I criticize the administration somewhat—the President should do everything in his power to warn the American people against the propaganda of the Communists, the Russians, the Chinese, and foreign nations with an ax to grind, who will do everything they can to use our country for their own interests, to pull their own chestnuts out of the fire. Even assuming that Japan offers adequate apologies, compensation, and guaranties within a week's time, but if the boycott spreads like wildfire, I cannot see anything except that such a policy will lead to war.

If we want war, it is the easiest thing in the world to find. If any Member of the House wants a fight and has a chip on his shoulder and looks for a fight, he can get one probably within an hour's time. If we go out with a chip on our shoulder, looking for a fight, we will get it in no time at all.

We do not want any additional territory. We have no militaristic or imperialistic designs or aspirations. All we want is to live at peace with the rest of the world. The American people are not afraid to fight, but we do not propose to go out looking for a chance to go to war.

We have everything to lose and nothing to gain; but we want to let Japan and every other nation in the world know that we will insist on the right of our people for protection; that we will insist that our ships be free to go wherever they have the right to go without being attacked by any foreign power. This is the very minimum we can demand; but we should not, after that is acceded to, permit this unfriendly propaganda and boycott to spread against Japan, who will become our enemy overnight, and if we are looking for war she will not turn the other cheek.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. LUCAS. I congratulate the gentleman on his statement that this is one question in which partisanship should not enter, but I call his attention to a question asked by my distinguished friend from Minnesota which, in my opinion, was unfair and unwarranted toward the attitude of this administration upon this very important question. The gentleman from New York said he would discuss that before he finished. He has not yet touched upon it and I am afraid his time will expire before he does.

Mr. FISH. I rather hesitate to discuss it because anything I say will be regarded as partisan. I do not want to inject

partisanship into my remarks. I have already endorsed, and I hope I am endorsing for my entire party—I do not know that I am, but I hope I am endorsing for all the 17,000,000 Republicans—the attitude that the administration has taken thus far. I do not want to cross any bridge beyond that. But the gentleman must know that the minority thoroughly disapproved the Chicago speech of the President.

We think it was highly dangerous, highly provocative, highly hysterical, and that if followed up it would have meant that we would have gone to war with other nations, either against Japan or to quarantine some other nations. I am not in favor of going to war to preserve peace in other parts of the world.

I know there are two schools of thought: There is the international school of thought represented by the President and the Secretary of State and those who advocate the League of Nations; and there is the isolationist school of thought who want to keep us out of all foreign wars and entanglements, all economic embargoes, all concerted action, free to act in our own way, relying on our own national defense, but trying to isolate ourselves against foreign intrigues, disputes, and war. I admit that I do not understand the philosophy of a great many Americans, including some Republicans who think that we must get into every war that occurs throughout the world. We were forced into the last war against our will by the deliberate attacks of the German submarines without warning upon American ships flying the American flag. We did not want that war; it was forced upon us against our will.

I point out to the gentleman that many other nations stayed out of the World War—Sweden, Norway, Denmark, Holland, Switzerland, and Spain—but there seems to be a strange psychology that we must get into every war that happens in the world. I am unalterably opposed to that. I think we should keep out of every foreign war. [Applause.] If these other nations want to go stark mad, arm to the teeth, and go to war, it is their war and not ours. [Applause.]

Mr. LUCAS and Mr. FITZPATRICK rose.

Mr. FISH. I want to yield to the gentleman from Illinois, who is a war veteran. I think, contrary to public opinion, that the veterans of the World War are more against war and war commitments than any other group in America. [Applause.]

Mr. LUCAS. I know that the gentleman does not agree with the insinuations made by the gentleman from Minnesota about the attitude of this administration, putting this country into another war because we are in a depression at the present time, in order to save this administration—and that is the only conclusion that can be reached from the question the gentleman asked.

Mr. KNUTSON. Mr. Speaker, that is not exactly fair. I merely asked a hypothetical question.

Mr. FISH. I prefer not to answer, because I do not want to be misunderstood.

Mr. LUCAS. That is perfectly all right with me.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield for the purpose of clearing up a mistake?

Mr. FISH. Certainly.

Mr. SHANLEY. The gentleman has announced his opposition to the Chicago speech of October 5. Has the gentleman seen any evidence of the application of the principles of that speech in the handling of the Sino-Japanese situation at the present time?

Mr. FISH. No, I have not; I am very thankful to say.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield for one question.

Mr. FISH. I yield.

Mr. McCORMACK. The gentleman has referred to boycotts. Of course, we cannot stop individuals or organizations from boycotting; and there is a difference between a boycott conducted by an individual or an organization and one sanctioned by the Government.

Mr. FISH. Certainly there is, but I am advising the Government to warn our people, because they do not realize how quickly, once these movements start, public opinion becomes inflamed; and once public opinion is inflamed in our country a corresponding but opposite inflamed public opinion will grow up in Japan. It is the road that eventuates in war.

I say to the American Federation of Labor—and I have been a friend of the American Federation of Labor and Mr. Green for many years—that their grievance is not against Japan; it is against the administration that permits goods manufactured by 20-cents-a-day labor to come into our country and to replace free American labor paid at American standard of wages. Just so long as Secretary Hull, Mr. Sayre, and others with free-trade obsessions seek to do away with protective duties for the benefit of American labor, just so long will our wage earners continue to lose their jobs. It must be self-evident that our workingman cannot compete with Japanese labor paid 20 cents a day or with certain European labor paid less than a dollar a day without an adequate protective tariff.

The quarrel of the American Federation of Labor is not with Japan but with the administration at Washington.

Mr. Green ought to direct his boycott, if he wants a political boycott, against the administration or, better still, demand protection for American labor. I think the gentleman from Massachusetts is a good protectionist if he will get away from the party long enough to carry out the real sentiments of his mind and the dictates of his heart.

Mr. McCORMACK. That is very nice of the gentleman. I may say the gentleman from Massachusetts endeavors to carry out his own convictions at all times and is capable of expressing his own thoughts, although I appreciate the gentleman's references. The gentleman's views on the science of government and mine are in complete harmony with each other. But in a democratic government there is difficulty in telling the gentleman or me or various groups what they may do or what they may not do.

Mr. FISH. I may say if some Democrat or Republican made a hysterical, inflammatory, and provocative speech at this time, I am sure the gentleman and myself would combine to answer him for preservation of peace and in behalf of the principle of good will among nations.

Mr. McCORMACK. But we would be acting individually.

Mr. FISH. I am not blaming individuals. I blame the Government for not warning the country. The country is being subjected at this time to communistic propaganda, Russian propaganda, perhaps English propaganda, and certainly Chinese propaganda. The people must be made to realize that all forms of reprisals, threats, embargoes, or boycotts means war eventually.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. FITZPATRICK. I agree with the gentleman insofar as getting into war is concerned. I am against any sort of war. But in starting off in his remarks, the gentleman stated that this administration should demand certain things of Japan.

Mr. FISH. That is right.

Mr. FITZPATRICK. Suppose they refused to yield to the demands; what then?

Mr. FISH. I will say to the gentleman that I will go even further than the so-called Ludlow resolution. I would have this Government enter into arbitration treaties with every nation in the world, providing that we will arbitrate everything under the sun except the defense of our Territories and the defense of our own country.

Mr. FITZPATRICK. And if they refuse to arbitrate?

Mr. FISH. As a matter of fact I may say to the gentleman and to the other Members of the House that we have already entered into a definite treaty, in the form of the

Kellogg-Briand Pact, and by our own consent we have agreed that we will not go to war except in defense of our own country. That is a treaty we deliberately entered into and it exists today. I am one of the few adherents of that pact who honestly believe in it. I still believe in those principles as a deterrent against war.

Mr. CRAWFORD. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. With Japan having adopted western methods of engineering, the holding down of death rates, and so forth, and with the continued improvement of the Japanese race, as well as having in mind, at the same time, Japan is a shipping and seafaring nation, is it the gentleman's opinion that Japan is seeking raw materials more than it is seeking anything else, or what is the principal objective?

Mr. FISH. I believe that Japan's attack on China is the result of a desire to control the raw materials of China, particularly copper, coal, iron, and cotton, in order to be able to defend herself with those materials. I believe that is the prime motive behind her invasion of China, and, of course, to secure a permanent market for her own goods in China.

Mr. CRAWFORD. I agree with the gentleman in that statement. In the gentleman's opinion, are the moves which are now being made toward a British-American alliance operating in the direction of circumventing moves that may be made in the future by Germany, Japan, and Italy with reference to the Suez Canal in an attempt to take away control of the Suez Canal from Great Britain? Is there a relationship between that possibility and the present negotiations?

Mr. FISH. No. I think the gentleman is a step ahead of our times. At the present time Great Britain has a tremendous stake in China. She has \$1,200,000,000 invested there. She owns Hong Kong. She has an enormous trade with China. Japan is rapidly taking away that trade from Great Britain by a lower wage scale and by the use of modern equipment in her own factories, to which the gentleman referred, and eventually will take away most of her trade.

Naturally, Great Britain has a great deal at stake. I am warning our own country, which has not so much at stake, not to be used to pull the British Empire chestnuts out of the fire. Believing in peace, as I do, and advocating and urging it, I believe in a navy second to none for national defense against Japan or against any other country. As long as we have a navy second to none we will never be attacked by Japan unless Japan goes crazy, or by any other nation. The Navy is our first line and main defense. That is why when I talk to my groups back home I never hesitate to let them know that, although I am for peace, I am for a powerful navy so that we cannot be attacked ourselves.

Why be hysterical about the Japanese situation when we know Japan can never attack us as long as we have a Navy that is larger, more powerful, and more efficient than her own? Scrap or demoralize our Navy and then it is time to be worried about the future.

Mr. CRAWFORD. May I ask another question? Can we exercise the principles enunciated in the Monroe Doctrine and carry out the philosophy thereof unless we do have a navy second to none, a navy capable of defending our shores from the Arctic to the Antarctic on both sides of the Western Hemisphere?

Mr. FISH. No, we cannot; and, further, we cannot emphasize the Monroe Doctrine too strongly at the present time, because that is exactly what Japan is emphasizing in China.

Mr. CRAWFORD. Exactly.

Mr. McCORMACK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is not our Navy stronger now than it was several years ago?

Mr. FISH. It is stronger and better equipped. I believe we have the best navy in the world today, and I believe we can whip any navy in the world today.

Mr. McCORMACK. But we are better off now than we were 4, 5, 6, or 7 years ago?

Mr. FISH. I think we have had a first-class navy for 10 years.

Mr. McCORMACK. I am not questioning the personnel.

Mr. FISH. I know what the gentleman wants me to say. I believe we have had a very efficient navy for the last 10 years. Today it is highly efficient, and I congratulate the gentleman for his part in maintaining its efficiency.

[Here the gavel fell.]

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. O'CONNELL of Rhode Island). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. SHANLEY. The gentleman believes in strict neutrality; there is no question about that from his past history and from a study of the hearings of the Committee on Foreign Affairs. The gentleman knows that a government as a government has no control over the acts of its people. The gentleman knows further that we have never been able to prevent our people from shipping munitions or extending credit, and that we actually had to go as far as statutory law in order to prevent it. Knowing this, will the gentleman tell us how it is possible for our Government, as a government per se, as a sovereign among other sovereigns in the family of nations, to tell the people of the United States they must be warned about propaganda? Wilson tried to do it in his famous neutrality speech, but it was ineffectual. How can the Government, or how can the President of the United States, do this, consistent with the law of nations?

Mr. FISH. I am not a great supporter of the President. I will, however, admit the President has the greatest radio voice in America and that he can go on a hook-up any night he wants to, speak for a full hour, place the facts before the American people, and plead with them to be calm and cool and keep their feet on the ground, to approach the situation from a sane point of view, and not be carried away by their passions or by foreign propaganda. He can warn them against this, and point out that boycotts, embargoes, reprisals, or threats mean the creation of hatred throughout this country and Japan, and that this is the road to war. I think the gentleman, who is one of the President's warm supporters, would do the President and his country a service, which the gentleman generally does, if he advised the President to make such a speech.

Mr. SHANLEY. The gentleman does not speak my mind because, as the gentleman is a student of international law, he knows it would be a violation of the prerogatives of a sovereign to make such a statement.

Mr. FISH. Surely the gentleman cannot mean that the President of the United States and the head of our Government should not advise our people what to do. I believe it is the duty of the President, just as under the Constitution he advises the Congress what to do, to advise the American people. I had always believed that the President was assumed to be the spokesman for the American people.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Mississippi.

Mr. RANKIN. Has the gentleman seen the statement of Samuel Untermyer advocating an embargo?

Mr. FISH. That is exactly what I am referring to. Samuel Untermyer is a distinguished man. I know and admire him. Yet he is advising a boycott against Japan. First, it was a boycott against Germany; now it is a boycott against Japan; and next it will be a boycott against Italy. The gentleman can see what happens once you launch these different boycotts—suspicion, bad blood, and international hate.

Mr. KNUTSON. Commercial isolation.

Mr. FISH. It means destruction of our trade, the enmity of foreign nations, and maybe war.

Mr. IZAC. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. FISH. Certainly; I will yield.

Mr. IZAC. The finest propaganda in the world is what appears every day in the headlines of the American newspapers. Neither the President himself nor any group is encouraging this. It is just the plain news, and plain news today is what is setting the American people against the Japanese.

Mr. FISH. Certainly. There is no question where our sympathies lie. We are opposed to the invasion of China. We are opposed to the killing of Chinese women and children by Japanese bombs. We resent, of course, the attacks upon our own ships, but we hope the matter will be arbitrated on a peaceful, sound, and sane basis.

Mr. IZAC. I agree with the gentleman.

Mr. FISH. The American people do not want war. There are always certain militaristic cliques, jingoists, war profiteers, or those who have something to gain, who agitate for war in the press; but the rank and file back home do not want war. If they knew that boycotts meant war, they would not be in favor of boycotts or any form of reprisal that would unnecessarily inflame the passions of both Nations and lead to war.

Here is a statement which was given me by the Associated Press a few minutes ago:

A high Soviet official said today that America is "overrun with Japanese spies, and Japan in its turn seems to be an arena for American intelligence services."

As I read this I recall the old saying about Greeks bearing gifts. Naturally, the Communists and the Soviet authorities are going to do everything they can to incite us against Japan. I am trying to warn the American people against propaganda from abroad and propaganda from within, all of it from people who have an ax to grind.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I do not want to be in a position of criticizing the President for not invoking the provisions of the Neutrality Act. I presume there perhaps may be very good reasons for his not having done so. However, is it not a fact that had the President declared sometime ago a state of war actually did exist between China and Japan, and had he used the power given him in the Neutrality Act, it is likely that those Standard Oil tankers would not have been in the vicinity at the time?

Mr. FISH. I agree thoroughly with the gentleman. I stated before the trouble started that we ought to take those gunboats out of there. I voted for the neutrality bill reluctantly, but it was the only bill before us.

I have said in this House that the Neutrality Act is the law of the land, that war exists in China. Other nations having no neutrality law do not face this issue. We wrote a law which said that when a state of war exists certain things should happen, and there is certainly a state of war in China, but the law is not enforced and the propaganda has gone out, and it has been deliberately put out, if we enforce the law it would help Japan and hurt China. I have pointed out repeatedly that if we had enforced the neutrality law it would hurt Japan and favor China, because Japan is buying everything it wants from us at the present time. They bought \$100,000,000 more of goods this year than last year. They have bought \$30,000,000 worth of scrap iron. If we had put the Neutrality Act into effect Japan could not have bought as freely as she is doing now and she could not have bought any arms, ammunition, or implements of war whatever.

Mr. BOILEAU. The gentleman is on the Foreign Affairs Committee and I know is familiar with the so-called Neutrality Act. Could the President, under the provisions of that act, have prevented the Standard Oil tankers from being in that vicinity and delivering gasoline or whatever was on those tankers to either party?

Mr. FISH. No; they would not have been affected, because they are river boats that have been there for years, and they were just carrying fuel to their own business establishments on the river. I agree with what the gentleman has in mind that our gunboats were there originally to protect the Standard Oil Co., and that is one reason I wanted them taken out of there.

Mr. BOILEAU. I was only asking for information.

Mr. FISH. But I do not want them taken out under threats or under fire.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SHANLEY. Just for the purpose of the Record, the gentleman must admit the Neutrality Act said that when the President finds there exists a state of war.

Mr. FISH. Certainly. I agree with the gentleman if he wants to be strictly technical, but a state of war exists when armed forces of one nation invade another nation whether there is a declaration of war or not, and no one can deny that Japanese armed forces have invaded China at the present time, destroying Chinese cities and Chinese armies.

Mr. SHANLEY. I do not deny that.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield in that connection?

Mr. FISH. I yield.

Mr. McCORMACK. There is a lot in what the gentleman has said about the way another country may view the matter.

Mr. FISH. That is the trouble.

Mr. McCORMACK. Suppose the President, under the conditions that exist, did say that a state of war exists, how would either one of the two countries view that? Would it be construed as an act of war?

Mr. FISH. Certainly not; we would be merely carrying out our own law of neutrality.

I may say, in conclusion, because I want my record to be clear, and I want it understood that I am speaking from a nonpartisan point of view, I opposed as vigorously as I could under a Republican administration the Congress giving the power to the administration or Mr. Stimson, who was the Secretary of State, to determine the aggressor nation. I opposed it under this administration which wanted the same power. I say, thank God, we did not give it to them. It is the only power practically that the administration wanted that we have not given the administration, until quite recently.

If we had given Mr. Stimson, or if we had given the President and Mr. Hull—both of whom, I believe, want peace, but are internationally minded and believe in collective action and were ardent supporters of the League of Nations—this power, I am fearful we would have been brought into practically all international intrigues, feuds, and boundary disputes, and possibly wars. If we had given either Mr. Stimson or the present administration the power to determine the aggressor nation, I am fearful it would have been used against Japan. Certainly, Japan is the aggressor nation, and if this had been used against Japan it would have been an act of war, and we would have been at war with Japan by now.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes, so that I may ask a question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Is it not true that if the Neutrality Act had been enforced, under the provisions of

the cash-and-carry plan, Japan could have come to this country or sent her ships to this country, bought her commodities, and gone back again, bringing the war to our very doors? I considered that a very dangerous provision of the act. We both were anxious for the sort of neutrality legislation that would be most likely to keep us out of war.

Mr. FISH. I know the gentlewoman from Massachusetts was one of the 12 Members of the House who voted against it, and that was her right, and she had legitimate reasons for opposing the act; but, as a matter of fact, I do not follow that logic at all in the present situation. If the Neutrality Act had gone into effect, Japan could not have bought any arms, ammunition, or implements of war.

Mrs. ROGERS of Massachusetts. But she could have bought cotton and oil and commodities of war. A mandatory act without the cash-and-carry provisions would have been wiser.

Mr. FISH. She is now buying everything—arms, ammunition, implements of war, scrap iron, cotton, and everything else. She could not have bought arms, ammunition, or implements of war if the act had been put into effect.

Then she would have had to send her ships here to buy and carry the goods, but she is using her own ships now to transport her soldiers, and supplies to clothe and feed her soldiers, so that it would not have worked out to her interest. It would have worked out against the interest of Japan if the neutrality law had been put into effect.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mrs. ROGERS of Massachusetts. I believe that the cash-and-carry provision in that act was unwarranted and likely to get us into trouble, and I think the gentleman so believes.

Mr. FISH. I agree, and I did everything I could to have it stricken out.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. RANKIN. The gentleman spoke of propaganda.

Mr. FISH. Yes.

Mr. RANKIN. I wonder if the gentleman knows that the Chinese Ambassador, the Japanese Ambassador, and the Russian Ambassador each appeared before meetings of Members of Congress on this bill and discussed this matter within the last 2 or 3 weeks?

Mr. FISH. I know; and I think it is a fine thing; and I congratulate whoever on the Democratic side is in charge of arranging those meetings, because the way to understand and get at the facts is to get around the table, ask questions, and get first-hand information. I hope that our present dispute and disagreement with Japan will be settled by arbitration or on a peaceful basis without boycotts, embargoes, reprisals, and inciting hatreds that may eventuate in war. [Applause.]

The SPEAKER pro tempore (Mr. O'CONNELL of Rhode Island in the chair). The time of the gentleman from New York has expired.

Under previous order of the House, the gentleman from Alabama [Mr. PATRICK] is recognized for 30 minutes.

FREIGHT RATES

Mr. PATRICK. Mr. Speaker, I want to speak to the Members of the House for a few minutes, and I am glad the House is so well filled this morning. I desire to speak for a moment or two about the Ramspeck amendment to the Interstate Commerce Act. I hope it soon may be brought out on the floor for debate. The Interstate Commerce Commission is an arm of this body that is overwhelmed with work, and we ought to help it. That bunch of fellows has a bigger job than any one body can perform, and this freight rate and general transportation structure is offering one of our most serious national problems and it is going to grow worse and harder and stronger and higher and fiercer as we travel down the avenue of time, and if we do not provide means of stemming the tide, the folks who follow us after we are dead are going to have a tremendous debt.

Last Saturday the Interstate Commerce Commission approved a rise in transportation rates for this country. This includes rates on hundreds of articles, commodities such as sugar and meat and brick and clay products and salt, oil-well supplies and hundreds of other things necessary to the economic life of Mr. and Mrs. America. I am not protesting against that. The traffic experts in the United States have stated advisedly, no doubt, that this increase is necessary. I am not protesting the amount of the rate. I am protesting merely the discrimination that is applied in the rate, and so in these rate-making differentials there has grown up in this country five rate-making zones.

One of the artists of Congress has kindly drawn a map here of the United States, and gentlemen will see that it is a very good map. These are the five zones represented that have grown up. To begin with, that may have been necessary, and doubtless was; but engineering skill long ago overcame the physical barriers that originally gave rise to this practice, but we have followed this topsy-turvy system, this crazy-quilt pattern, ever since.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. Not now. I will tell the gentleman what to do. Just sit there and let his ideas accumulate, and at the end of my remarks he may have plenty to ask.

Mr. LUCAS. I have an interesting question that I would like to ask.

Mr. PATRICK. I am afraid that if I answer that question the gentleman will leave.

Mr. LUCAS. I am going to leave anyway.

Mr. PATRICK. Then if the gentleman is going to leave anyway I certainly am not going to yield. So we must consider this, because it has grown up and now is about to get a throat hold on the United States. It is discriminatory, it is unnatural. It has the effect of a monopoly, and you know a geographical monopoly is just as evil in its effect as a monopoly of a rich corporation or any other sort of a monopoly. Over half the votes unfortunately are in this section right here, roughly bounded by the Mississippi River on the west and the well-known Mason and Dixon's line on the south, known as official territory. This [indicating] represents the southern territory, and this is the southwestern, which takes in Texas, Louisiana, Arkansas, and Oklahoma. Up here [indicating] when they ship from this point to this point they pay \$1, and for the same down here the folks pay \$1.37, and yet they stick it out. It is even worse over here in the Pacific and Western Trunk area. These are the five zones, when there should be but one.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. Not now.

Mr. BREWSTER. I am going to stick it out.

Mr. PATRICK. Then I shall not yield and I will see if the gentleman is here when the time comes.

Now, the way the matter has grown up is threatening us, and it is getting worse every day. It is becoming a more serious thorn in Uncle Sam's side every day. What is the use for us to have engineering improvements and devices and all that sort of thing when it inures to the benefit of a few all the time?

You remember the gentleman from Texas [Mr. SUMNERS] got up here the other day and suggested it may be wise to take some action to stop inventions and stop patents for a while. Well, that would be a step backward. We do not want to do that. We want to bring down the barriers and monopolistic inclinations that are giving rise to the evil. That is what we have got to do. Blessings of invention and improvement should be distributed equitably to all America. Here is a little old rhyme, before I forget it:

In heathen tribes, where skulls were thick, did primal passions rage,
They had a system sure and quick, to cure the blight of age.
If one's native youth had fled, and time had sapped his vim,
They simply popped him on the head, and that was the last of him.

[Laughter.]

But in this, our enlightened age, we're made of finer stuff. And so we look with righteous rage, on methods so crude and tough, So when our man grows old and gray, and bent and short of breath, We simply take his job away, and let him starve to death.

[Laughter.]

So, ladies and gentlemen, this has given us the trouble we are having today. I introduced an amendment here last Friday concerning this very thing, an amendment to the wage and hour bill, which would dissolve this discrimination. I believe fully, if my amendment had been agreed to, the bill would not have been referred back to the committee as it is today.

Mr. KNUTSON. There is no doubt about it.

Mr. PATRICK. There is no doubt about it. I even have the Republicans with me. Thank you. [Laughter.]

As a matter of fact, an evil like this grows; it started up with a reason and it grew into the status that it occupies today. When I introduced that amendment I wanted to call your attention to this fact—it was defeated only by 32 votes, and the Republicans stood up in a body. Why? Because most of them come to Congress from this official territory and for once they were willing to vote with the members of the Democratic committee and followers that were anxious to keep it just as it is.

Now, that gives us a tremendous lot of disturbance in the South. It is very significant, Mr. Speaker, as long as a band of people in this democratic Nation take advantage of unwholesome circumstances for the purpose of unjustly discriminating against others of the country, there will be natural jealousies and actions that are bound to disrupt the movement of progressive legislation. That follows as naturally as the night the day.

Friday, at the end of a 5-minute talk supporting the rate-making amendment that I presented, "Minuteman" CITRON was on his feet with a prepared speech of exactly 5 minutes, and in preparing his speech, sifting through the 5,000 commodities that are transported, the gentleman from Connecticut found that watermelons have a good rate from Georgia into Connecticut. Therefore he said, "We will destroy the amendment," and he voted to destroy it.

Now, he was not complaining. He does not anticipate shipping any watermelons from Connecticut into Georgia. Nature is not built that way. But he simply cited that as an advantage of one item to set off thousands of items in steel, foodstuffs, meats, livestock, vegetables, and the general run of freight traffic that is exchanged in the course of a year between the North and the South. In other words, instead of correcting the evil he wishes it to remain. That is to say, if my calf got in your garden and ate a few of your turnips, you will let your whole herd of cows play havoc with my whole cornfield.

It is a strange thing how a Congressman in this body is willing to tolerate any evil so long as his particular section is not exposed to the burden of that evil. Of course, a man has no business in Congress unless he is vicarious enough by nature to respond to the pulsations of his own community. I am the voice and vote of my district. If there is pain and hunger in my district, I suffer. If there is unemployment in my district, part of that pain belongs to me. I cannot escape it. I realize that.

The boost passed on to the cost of the transportation of commodities by the Interstate Commerce Commission Saturday is a relative thing and it falls with a heavy foot on the section against which the discrimination is greater. Mine is an inland industrial and manufacturing district. Much of ours is the production and manufacture of steel and iron goods, and we have no water route, but must depend on overland transportation, and we are bound to feel the hard blow of this change not because of the advance, the advance is no doubt necessary. The experts have recognized it, and therefore we must recognize it. We do not want to starve our

transportation media to death. We know they have a right to do business and to make a reasonable profit.

Perhaps the Republicans have been complaining. They think we Democrats are forgetting that men who have made a living during the years with businesses that have thrived have still got to live if the welfare of our Nation is to continue; so we are not protesting against any increase in freight rates if it is alike all over the country and if there is no differential. But this discrimination margin has the same percentage of expansion and it leaves that district at a disadvantage on the markets of the Nation and in the securing of contracts. It enables the manufacturer, who has no such expense in hauling his goods to underbid the man who has to absorb more expense. The present unfair and inexcusable freight-rate structure creates such a barrier to manufactured goods that only the larger corporations can absorb this differential and survive the handicap. As it is now, the rate in my section is such that a piece of iron must be mined from the earth, run into pigs, shipped to Ohio, Indiana, or Pennsylvania and made into a plow and perhaps shipped back to Alabama to furrow down a cotton row less than a mile from the spot where it was taken from the earth. Why? Because the differential prevents the successful operation of a manufacturing plant at the point of mining, prevents them from making a profit on their goods after they have absorbed the additional transportation expense that arises out of this differential. The money goes into transportation, which should go into the employment of labor.

Mr. THOMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. Take out a pencil and write it down on a piece of paper so you will not forget it.

Mr. THOMPSON of Illinois. I think the gentleman is in error about one matter.

Mr. PATRICK. I know, however, that you boys will straighten us out—you always do.

Mr. THOMPSON of Illinois. The gentleman is doing very well.

Mr. PATRICK. The purpose of the wages-hours legislation was announced as a remedy, among other things, to properly distribute labor and wages, and there is nothing existing in the fabric of our economic set-up that contributes more to the concentration in our already crowded areas than the unfair transportation differential. When our Senators and our Congressmen of the North and the East learn that these evils indirectly assail them and that the general economic health of the Nation certainly contributes to their economic health they will rise up and help overthrow this evil. Monopolistic influences are always harmful, and this is as true of geographic groupings as it is of individuals, financial overlords, and great corporations. Democracy demands that there be an economic declaration of freedom in this Nation, and there is no way to fight monopoly that offers a greater opportunity than this freight and transportation problem. The program of the New Deal shall never have done a full job of work until it affects this much-needed reform, and to it I pledge my every effort until it is accomplished, and until my days are spent.

As I stated, there are 5,000 recognized commodities that went into that survey of the T. V. A., that they considered in compiling this. There are certain items that justified this in the beginning. Five outstanding things it seems that more than anything else affect cost. First, there are the economic and geographical conditions; second, the policy of the carriers—and how this is abused; third, policies of the Government as expressed in statutes and as administered by the regulatory bodies, especially the Interstate Commerce Commission; fourth, special consideration because of the service to be furnished and the value added to commodities by their transportation—and that is also abused; fifth, the effect of competition. That is how it grows up. When I was a boy in school I remember how the big boys used to grab off all the playground and make us little fellows play in the

back yard, if we got to play at all. This is what has happened in the economic structure of the Nation.

I leave the South, as it is commonly called now, and take an illustration in the southwestern part of Texas. From Fort Smith, Ark., to Cincinnati, Ohio, is 755 miles and the freight rate per 100 pounds is \$2.04; but from Cincinnati, Ohio, to Pittsfield, Mass., which is exactly the same distance, 755 miles, the freight rate is only \$1.37.

That is \$2.04 compared to \$1.37. The same identical situation applies with reference to Shreveport and Cincinnati as compared with Cincinnati and Holyoke, Mass. The distance is 808 miles and the rate is \$2.15 compared to \$1.43. From Galveston, Tex., to Indianapolis, Ind., is only 997 miles and the rate is \$2.52. From Indianapolis, Ind., to Portland, Maine, the mileage is 1,009 and the rate is \$1.55. There it is, \$2.52 as compared to \$1.55. In shipping from Indianapolis to Portland, Maine, over all that route, you travel 1,009 miles, and from Galveston, Tex., to Indianapolis you travel right up that valley only 997 miles, yet it costs \$2.52.

I could give you many other figures and I will include a number of tables in the RECORD showing the situation in southern territory, southwestern territory, and the Texas and California areas.

The point is, unless the Government gets big enough and democratic enough to make one area of the entire United States so that you can ship at the same rate on a railroad in one direction and back the same commodities, there will be rank discriminations. You ship in some instances over the same road, the train is handled by the same crew in the opposite direction, the same commodity involved, and it will run as high as 32 percent higher to ship in one direction as compared with the other. That is not just or right and it is not democratic. The reaction will hurt the East in the long run, as much as it does the rest of the Nation.

There is pending the Ramspeck amendment to the Interstate Commerce Act, even though my amendment was voted down, and we should get behind it and get this passed upon.

Mr. BREWSTER. Will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Maine. He is not only a staunch Republican but he is from the far East.

Mr. BREWSTER. May I ask the gentleman if he takes responsibility for that map?

Mr. PATRICK. Yes.

Mr. BREWSTER. Will the gentleman move the States of Maine and Vermont back a little nearer into the Union? That looks like an ostrich's neck up there.

Mr. PATRICK. Nobody can do that except you boys. You are the fellows to do it. I know you feel reproached, but we cannot help it. We gave you an invitation at the last election to come into the Union.

Mr. KNUTSON. The gentleman has also left off Cape Cod.

Mr. PATRICK. Cape Cod is there.

Mr. BREWSTER. We are very much interested in the gentleman's missionary work for the State of Maine.

Mr. PATRICK. I am going up there some time.

Mr. BREWSTER. Do I understand the gentleman would put the freight rates on a pure mileage basis?

Mr. KNUTSON. At 20 cents a mile?

Mr. PATRICK. On a pure mileage basis?

Mr. BREWSTER. Does the gentleman intend setting up the rate structure of the country on a mileage basis?

Mr. PATRICK. To make the bald statement, as the gentleman does, would leave off any condition.

Mr. BREWSTER. Is that not what the gentleman said in his peroration?

Mr. PATRICK. Would I put it on a strictly mileage basis?

Mr. BREWSTER. Is that not what the gentleman said?

Mr. PATRICK. No. I did not say that. I did say we should have one area. To do what the gentleman stated would abolish the Interstate Commerce Commission. I do not want to abolish the Interstate Commerce Commission. They are still sitting up there.

Mr. BREWSTER. The gentleman proposes to discriminate on some other basis than the present differential basis?

Mr. PATRICK. I am proposing to have no unfair discrimination at all. I am proposing a break-down of the zones.

Mr. BREWSTER. What rule does the gentleman lay down if he does not advocate the present differentials to govern freight rates? The gentleman will have to have differentials.

Mr. PATRICK. Oh, I said we are bound to have differentials.

Mr. BREWSTER. The gentleman said he would not have anything but mileage considered.

Mr. PATRICK. What position does the gentleman take different from what I take?

Mr. BREWSTER. The gentleman criticizes all of these freight rates because it costs more to ship from Galveston to Indianapolis than it does a thousand miles to Portland, Maine. In other words, in the gentleman's very glowing peroration the gentleman said the entire country should be considered as one area and rates charged according to the distance traversed.

Mr. PATRICK. If the zones were entirely broken down and nothing considered by mileage, the evil would not be half as bad as it is today.

Mr. BREWSTER. But the gentleman does agree we have built this country on the basis of differentials over a period of at least 50 years?

Mr. PATRICK. This may be idealistic, and it may be too much to hope for, outside of the eastern area, but I would be very glad to see the freight rates put on nothing else but a mileage basis.

Mr. BREWSTER. But the gentleman does recognize that would disrupt the existing economic structure?

Mr. PATRICK. It would do more good than harm as compared with the system employed today.

Mr. LUCAS. How would the gentleman's district be affected by this change?

Mr. PATRICK. Does the gentleman mean by the change I suggested?

Mr. LUCAS. Yes. How would the gentleman's district be affected by the change, assuming the Congress adopted what he suggests?

Mr. PATRICK. It would permit us to have a fair rate. Here is how we would be affected exactly.

I will give you a concrete example. We manufacture soil pipe in Birmingham. We could very easily sell this pipe in Chicago, Ill., as far as the expense of producing it is concerned; but in Pittsburgh, or in some place which is no farther away, or even maybe a little farther away than Birmingham, they also make soil pipe. They can produce it at the same expense we can, we will say, or maybe it will cost them a little more for labor today. However, by the time the manufacturer in Birmingham absorbs the additional transportation costs and gets to the market the man at Pittsburgh can underbid him. Therefore my laborer is left without a job, because my manufacturer is left without a contract and cannot sell the goods. My workman is left out of a job entirely. Then these eastern boys wonder why we could not go with them, and why, for example, after signing the petition on the wage and hour bill, we voted to recommit it. One of the most important reasons is that we first must see that our men in the South have jobs before we can determine how much they shall get on the job or what hours they shall have.

Mr. LUCAS. Did I understand the gentleman to say there is a discriminatory freight rate as between Pittsburgh and Chicago and between Birmingham and Chicago as far as what you produce is concerned?

Mr. PATRICK. Oh, yes. We have to cross this line [indicating]. Here is Chicago, and here is a place over here that is at a greater distance from Chicago than we are. We can shoot our commodities right up here, and yet we have to pay a much higher freight rate than they do over here.

Mr. LUCAS. What is the basis for it?

Mr. PATRICK. It started with trade agreements way back yonder at the beginning of the thing, when transportation and engineering had not reached the degree of proficiency it enjoys today. Since they got this advantage they have plastered it on the rest of the United States ever since, because the fellows up there enjoy the fat rewards, and they are not willing to break down these barriers and give a free enjoyment of transportation to the Nation.

Mr. THOMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Illinois.

Mr. THOMPSON of Illinois. The gentleman talks about soil pipe and other pipe manufactured in the gentleman's district. Do not the same industries which have plants in the gentleman's district also have plants in Pittsburgh; and after all, is it not a question as to where these industries themselves want to manufacture their commodity?

Mr. PATRICK. We are thinking in terms of the workingman—the man who labors. Of course, if you were thinking only of the big rich boys, they could all concentrate and have their plants right around Pittsburgh.

Mr. THOMPSON of Illinois. There are factories in Birmingham, and there are factories in Gary.

Mr. PATRICK. Certainly.

Mr. THOMPSON of Illinois. If a city, for instance, gives an order for a thousand tons of water pipe to the McWane Cast Iron Pipe Co. or any other such company, I do not know how the purchaser, the Interstate Commerce Commission, or anyone else can tell that particular corporation it should manufacture the pipe in Birmingham or Pittsburgh or anywhere else.

Mr. PATRICK. Exactly. I am so glad the gentleman asked me that question. What will happen? Why, he will manufacture it in Pennsylvania. We want these barriers broken down so he may manufacture it anywhere and give everybody a break all over the United States.

We are not worrying about the manufacturer, we are worrying about the workingman who would have the job in Texas or Oklahoma or Utah or Alabama. Of course, as long as he can make a larger profit by not having to absorb the transportation differential, McWane is going to make the pipe at his plant within the eastern area. This is exactly the reason you have a concentration of manufacturing activities all over the eastern section, because when the order is received, no matter where he has plants, he is going to make the pipe up there. This is where the men are going to work and where the men are going to get jobs. This is where they can pay a better wage and have better hours and lop our ears off; and just because we do not walk up and go down the road with them, they say we are not toting fair, and they wish they had not helped us out on the crop program.

[Here the gavel fell.]

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON of Illinois. What has been the effect of the barge lines operated by the Federal Government through the Inland Waterways Corporation on both the Warrior and the Mississippi Rivers upon the problem the gentleman is discussing?

Mr. PATRICK. It has helped, but what about us poor fellows who do not have the advantage of barge lines? We have inland rates and we have no waterways. We have to depend on the overland hauls.

Mr. THOMPSON of Illinois. Has not the Inland Waterways Corporation or the Federal Barge Line established a very expensive terminal, built at Government expense, at a place called Birminghamport, in order to serve Birmingham in the gentleman's district?

Mr. PATRICK. Yes; and it does not scratch the surface of the whole problem. It is way off down there, and you have to haul over a dusty road with trucks.

Mr. THOMPSON of Illinois. I have always understood the Federal Government operated a railroad from Birmingham over to this water terminal at Birminghamport.

Mr. PATRICK. I will have to take the gentleman down there and show him the true picture.

Mr. THOMPSON of Illinois. They do operate a railroad there. It is so indicated by the report of the Inland Waterways, submitted to Congress by General Ashburn.

Mr. PATRICK. I am sorry to say it does not suffice.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. Yes; I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. They, up in this special area, not only have an advantage in rail rates, as the gentleman has shown, but they have a tremendous advantage by reason of water transportation.

Mr. PATRICK. I am not as informed on that as I would like to be. Doubtless that is true.

Mr. ROBSION of Kentucky. What I rose particularly to inquire about is, Is it not a fact that the rates are higher from the South to the North and East than they are on the same commodities over the same distances from the North and East to the South?

Mr. PATRICK. Exactly. A shipment of stoves went from Chicago to Montgomery, which is our State capital, then back over the same route, handled by the same train crew, occupying the same length of time, and on that return shipment the rate was nearly 30 percent higher. This is the practice all over the Nation.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. I know a little about that situation. What is the basis for that?

Mr. ROBSION of Kentucky. Is it not due to the wider influence of Government in this tremendous area with such a large population?

Mr. O'CONNOR of New York. I will assume the fact; but why should that be?

Mr. PATRICK. On 5,000 articles that were compiled—

Mr. O'CONNOR of New York. I am not interested so much in the fact; but, assuming the fact, what argument is made as to why there should be that difference, whether the condition is presently or originated way back?

Mr. PATRICK. Oh, the argument was originally made that over these sections railroads were new and transportation was so much more burdensome and expensive over these areas, but, as I say, engineering and invention and everything else have improved that condition so that it is not a drop in the bucket compared with the tremendous differential that is burdening us.

Mr. MAHON of Texas. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield.

Mr. MAHON of Texas. I want to congratulate the gentleman on presenting these matters to the Congress, and I want to assure him that I am pleased to hear him say he is going to continue to crusade for the correction of the situation he is now talking about.

Mr. PATRICK. I thank the gentleman from Texas.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield.

Mr. LUCAS. Do I understand that all this new invention and improvement in engineering that the gentleman has referred to did not affect that railroad line that runs over to Birmingham from that new port?

Mr. PATRICK. There is a railroad there. We are proud of it, but one little railroad cannot do enough even to solve a local problem.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Mississippi.

Mr. RANKIN. The situation the gentleman from Alabama has described applies not only to iron pipe, but to everything else produced in that area.

Mr. PATRICK. Oh, of course. I just used that as an illustration.

Not only have I studied this matter but I have here a report which I recommend that any of you gentlemen who are interested study, House Document No. 264, International Freight Rate Problem.

Mr. RANKIN. I wish the gentleman would put that report in the RECORD.

When they passed a law here to put trucks under the Interstate Commerce Commission, they excepted trucks owned by the people producing the goods. Therefore, the manufacturers and the producers of agricultural commodities are accumulating their own trucks and hauling their own material across these lines in order to keep from being penalized. Therefore the railroads that sponsored the legislation are being affected, and they are coming back now and asking for an increase of fifteen or twenty million dollars a year on top of the exorbitant transportation rates in force throughout the country. There is always a way to get around a dishonest law or a dishonest regulation, and unless this thing is changed the people are going to continue their efforts to find a way around it, as they have been doing by purchasing and operating their own trucks.

Mr. PATRICK. I thank the gentleman from Mississippi very heartily for his statement.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. PATRICK. Yes.

Mr. BREWSTER. As I understand the gentleman's illustration, a man in Pittsburgh now has a job making this soil pipe, and you want a man down in your district to have the job of making that pipe. What difference does it make to the prosperity of the United States as a whole, about which you have talked, whether the fellow in Pittsburgh has the job or the man in Birmingham?

Mr. PATRICK. One of the very grave problems of the Nation is the problem of distributing labor.

Mr. BREWSTER. In either event we are going to have one fellow on relief and the other is going to have a job; and, as far as I can see, your proposition is to transfer the job to your locality.

Mr. PATRICK. We say there should be a proper distribution of national activities everywhere. You could not do everything in New York. We have a great big United States here with 130,000,000 people in it, and we do not want to stack everything up at one place and become monopolistic. We can become geographically monopolistic just the same as we may become financially or socially monopolistic.

Mr. RANKIN. Carrying out the argument of the gentleman from Maine, why kick about one man going out and holding another man up at the point of a gun and taking his money away from him? Does not one man have the money when it is all over? You are now robbing one section of the country for the benefit of another, and I may say with respect to the gentleman from Illinois [Mr. Lucas] that he is out there in somewhat of a no man's land, and he is paying the extra burden. They are piling the extra burden on his section in addition to penalizing people who live across that line.

Mr. PATRICK. Suppose we were all in a poker game: If you were the houseman and you should take out your haul every time there is a hand played, if we play long enough you will have all the money, and in the shipment of thousands of commodities between the East and the other sections of the Nation every day by these unfair differentials there is a little wave of money that passes to the East, and it goes in the same direction every day. When a commodity is given a certain rate over a route, that rate over that route ought to be the same identical thing in any direction, at any time, under any circumstances, and any other method is neither democratic nor fair, and everybody is bound to know it. [Applause.]

[Here the gavel fell.]

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and insert certain tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The tables referred to follow:

[Rates stated in cents per 100 pounds]

From—	To—	Miles	First-class rates
Nortonville, Ky.	Enfield, Ill.	104	64
Jeffersonville, Ind.	Indianapolis, Ind.	107	58
Difference ¹			6
Madisonville, Ky.	Terre Haute, Ind.	159	76
Terre Haute, Ind.	Huntington, Ind.	156	67
Difference ¹			9
Lexington, Ky.	Columbus, Ohio	196	88
Cincinnati, Ohio	Toledo, Ohio	197	73
Difference ¹			15
Nashville, Tenn.	Indianapolis, Ind.	297	123
Indianapolis, Ind.	Kent, Ohio	296	87
Difference ¹			36
Knoxville, Tenn.	Columbus, Ohio	393	141
Baltimore, Md.	Warren, Ohio	392	94
Difference ¹			47
Memphis, Tenn.	Indianapolis, Ind.	438	138
Decatur, Ill.	Akron, Ohio	427	104
Difference ¹			34
Chattanooga, Tenn.	Chicago, Ill.	592	170
Philadelphia, Pa.	Toledo, Ohio	595	123
Difference ¹			47

¹ Difference in favor of official territory.

Comparisons of typical interterritorial first-class freight rates from southwestern territory to official territory with corresponding rates within official territory for approximately equal distances

[Rates stated in cents per 100 pounds]

From—	To—	Miles	First-class rates
ZONE III			
Little Rock, Ark.	Decatur, Ill.	454	154
Springfield, Ill.	Cleveland, Ohio	454	106
Difference ¹			48
Little Rock, Ark.	Galesburg, Ill.	528	169
Galesburg, Ill.	Youngstown, Ohio	535	116
Difference ¹			53
Little Rock, Ark.	Chicago, Ill.	625	177
Chicago, Ill.	Auburn, N. Y.	626	125
Difference ¹			52
Enid, Okla.	Chicago, Ill.	725	202
Chicago, Ill.	Lancaster, Pa.	727	138
Difference ¹			64
Fort Smith, Ark.	Cincinnati, Ohio	755	204
Cincinnati, Ohio	Pittsfield, Mass.	755	137
Difference ¹			67
Shreveport, La.	Cincinnati, Ohio	808	215
Cincinnati, Ohio	Holyoke, Mass.	808	143
Difference ¹			72
Fort Smith, Ark.	Columbus, Ohio	834	212
Dayton, Ohio	Concord, N. H.	832	144
Difference ¹			68
Dallas, Tex.	Chicago, Ill.	905	237
Chicago, Ill.	Burlington, Vt.	909	154
Difference ¹			83

¹ Difference in favor of official territory.

Comparisons of typical interterritorial first-class freight rates from southwestern territory to official territory with corresponding rates within official territory for approximately equal distances—Continued

From—	To—	Miles	First-class rates
ZONE III			
Fort Worth, Tex.	Cincinnati, Ohio	962	244
Cincinnati, Ohio	Portland, Maine	964	154
Difference ¹			90
Dallas, Tex.	Indianapolis, Ind.	861	235
Indianapolis, Ind.	Springfield, Mass.	863	145
Difference ¹			90
Galveston, Tex.	Indianapolis, Ind.	997	252
Indianapolis, Ind.	Portland, Maine	1,009	155
Difference ¹			97

¹ Difference in favor of official territory.

Iron and steel articles

(Carloads, minimum weight 40,000 pounds, as described in Exceptions to Official and Southern Classifications. In 1935 the Interstate Commerce Commission prescribed (209 I. C. C. 640), for ultimate publication by the interested carriers, a new basis of rates on iron and steel articles moving interterritorially between official and southern territories. A scale of arbitraries ranging from 2 cents per 100 pounds for distances of 200 miles and less to 21 cents per 100 pounds for 1,500 miles was prescribed, such arbitraries to be added for the portions of the hauls within southern territory. The rates in the following table do not reflect the basis of this decision.

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Birmingham, Ala.	Alto Pass, Ill.	376	39
Akron, Ohio	Waukegan, Ill.	379	30
Difference ¹			9
Birmingham, Ala.	Carbondale, Ill.	386	40
Youngstown, Ohio	Hammond, Ind.	391	31
Difference ¹			9
Birmingham, Ala.	Tamora, Ill.	415	42
Chicago, Ill.	Wheeling, W. Va.	417	33
Difference ¹			9
Birmingham, Ala.	Centralia, Ill.	443	44
Pittsburgh, Pa.	Danville, Ill.	444	33
Difference ¹			11
Birmingham, Ala.	Muncie, Ind.	536	50
Buffalo, N. Y.	Aurora, Ind.	540	33
Difference ¹			17
Birmingham, Ala.	Gary, Ind.	638	56
Buffalo, N. Y.	Springfield, Ill.	635	39
Difference ¹			17
Birmingham, Ala.	Battle Creek, Mich.	701	58
Buffalo, N. Y.	East St. Louis, Ill.	707	41
Difference ¹			17

¹ Difference in favor of official territory.

Stoves and ranges

Carloads, minimum weight 24,000 pounds, rated fifth class in official classification and 31½ percent of first class in exceptions to southern classification

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Nashville, Tenn.	St. Louis, Mo.	321	39
Belleville, Ill.	Cincinnati, Ohio	329	32
Difference ¹			7
Nashville, Tenn.	Chicago, Ill.	440	43
Detroit, Mich.	Evansville, Ind.	434	36
Difference ¹			7

¹ Difference in favor of official territory.

Stoves and ranges—Continued

From—	To—	Miles	Rates
Anniston, Ala.	St. Louis, Mo.	540	52
Pittsburgh, Pa.	Rockford, Ill.	538	41
Difference ¹			11
Sheffield, Ala.	Chicago, Ill.	572	51
Detroit, Mich.	Reading, Pa.	578	41
Difference ¹			10
Chattanooga, Tenn.	Chicago, Ill.	592	54
Detroit, Mich.	Poughkeepsie, N. Y.	587	43
Difference ¹			11
Rome, Ga.	Chicago, Ill.	671	57
Detroit, Mich.	Worcester, Mass.	667	46
Difference ¹			11
Atlanta, Ga.	Chicago, Ill.	731	60
Belleville, Ill.	Roanoke, Va.	744	49
Difference ¹			11

¹ Difference in favor of official territory.

Marble, granite, and stone

Uncarved blocks, pieces, or slabs, minimum weight 36,000 pounds, rated 35 percent of first class in exceptions to official classifications and 30 percent of first class in exceptions to southern classification

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Tate, Ga.	Columbus, Ohio	554	50
Bloomington, Ind.	Rochester, N. Y.	550	41
Difference ¹			9
Knoxville, Tenn.	Rock Island, Ill.	669	53
Indianapolis, Ind.	Reading, Pa.	666	45
Difference ¹			8
Knoxville, Tenn.	Atlantic City, N. J.	704	54
Indianapolis, Ind.	Allentown, Pa.	702	47
Difference ¹			7
Knoxville, Tenn.	Newburgh, N. Y.	783	57
Indianapolis, Ind.	New York, N. Y.	790	50
Difference ¹			7

¹ Difference in favor of official territory.

Plumbers' goods

Enameled or other than enameled, carloads, minimum weight 30,000 pounds, 40 percent of first class in official and 35 percent of first class in southern classification

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Chattanooga, Tenn.	Cincinnati, Ohio	338	46
Pittsburgh, Pa.	Allentown, Pa.	339	37
Difference ¹			9
Chattanooga, Tenn.	Columbus, Ohio	452	54
Chicago, Ill.	Pittsburgh, Pa.	454	42
Difference ¹			12
Chattanooga, Tenn.	Springfield, Ill.	501	55
Louisville, Ky.	Johnstown, Pa.	491	44
Difference ¹			11
Chattanooga, Tenn.	Akron, Ohio	579	59
Chicago, Ill.	Rochester, N. Y.	565	47
Difference ¹			12
Chattanooga, Tenn.	Chicago, Ill.	592	60
Louisville, Ky.	Rochester, N. Y.	599	48
Difference ¹			12
Chattanooga, Tenn.	Youngstown, Ohio	630	61
Louisville, Ky.	Richmond, Va.	639	52
Difference ¹			9
Chattanooga, Tenn.	Buffalo, N. Y.	758	66
Chicago, Ill.	Amsterdam, N. Y.	755	56
Difference ¹			10

¹ Difference in favor of official territory.

Unfinished cotton-piece goods

Fabrics made wholly of cotton, or cotton and jute mixed, in the original piece, not finished; rated 45 percent of first class in exceptions to western classification and 57 percent of first class in exceptions to official classification

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Dallas, Tex.	Springfield, Ill.	726	96
Aurora, Ill.	Roanoke, Va.	702	77
Difference ¹			19
Shreveport, La.	Muncie, Ind.	788	97
Milwaukee, Wis.	York, Pa.	793	79
Difference ¹			18
Dallas, Tex.	Chicago, Ill.	905	96
Chicago, Ill.	Burlington, Vt.	909	88
Difference ¹			8
San Antonio, Tex.	Milwaukee, Wis.	1,286	131
Alton, Ill.	Portland, Maine.	1,254	103
Difference ¹			28
Little Rock, Ark.	Toledo, Ohio.	738	88
Rockford, Ill.	Williamsport, Pa.	741	79
Difference ¹			9

¹ Difference in favor of official territory.

Canned goods

Canned or preserved foodstuffs (not cold-packed fruits or vegetables); rated fifth class or 35 percent of first class, minimum weight 36,000 pounds in official classification and 35 percent of first class in exceptions to western classification minimum weight 36,000 pounds

[Rates stated in cents per 100 pounds]

From—	To—	Miles	Rates
Fort Smith, Ark.	Springfield, Ill.	509	66
Chicago, Ill.	Buffalo, N. Y.	513	39
Difference ¹			27
Tulsa, Okla.	Peoria, Ill.	548	66
Marion, Ind.	Roanoke, Va.	536	41
Difference ¹			25
Fort Smith, Ark.	Indianapolis, Ind.	650	71
Indianapolis, Ind.	Baltimore, Md.	650	45
Difference ¹			26
Dallas, Tex.	Springfield, Ill.	726	81
Springfield, Ill.	Roanoke, Va.	720	47
Difference ¹			34
Shreveport, La.	Cincinnati, Ohio.	808	77
Cincinnati, Ohio.	Holyoke, Mass.	808	50
Difference ¹			27
Fort Smith, Ark.	Columbus, Ohio.	834	81
Muncie, Ind.	New Haven, Conn.	830	49
Difference ¹			32
Dallas, Tex.	Indianapolis, Ind.	861	86
Indianapolis, Ind.	Bridgeport, Conn.	871	51
Difference ¹			35
Fort Worth, Tex.	Cincinnati, Ohio.	963	86
Cincinnati, Ohio.	Portland, Maine.	964	54
Difference ¹			32
Houston, Tex.	Indianapolis, Ind.	963	91
Indianapolis, Ind.	Fall River, Mass.	960	53
Difference ¹			38
San Antonio, Tex.	Springfield, Ill.	1,004	91
Chicago, Ill.	Fall River, Mass.	995	54
Difference ¹			37

¹ Difference in favor of official territory.

CONTROL OF WAGES AND HOURS IN INDUSTRY

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, we have just finished a very interesting debate concerning the question of hours and wages. During that educational discussion we had opportunity to study the economic views of the several schools of thought represented in this august body. We listened to the man who still believes in the individualistic theory of the crude tool days, associated with the development of our country prior to the Civil War. We listened to the advanced political philosophy of the man who, looking into the future, realizes what a pathetic and tragic figure individual man is in the face of the miraculous machine development of our day. We saw here on the floor men ready to make a start; others opposed to a start under any conditions. We listened to the oratory of men who wanted perfection itself to begin with, and to others, who, realizing the exigencies of parliamentary procedure, were anxious to make a beginning. Yet the study of a year, the discussion of a week, the consideration given the legislation by the Committee on Labor all went for naught, except that we are enlightened perhaps by reason of the experiences we gained as a result of the discussion on hours and wages.

If every man in America were as advanced today as was an outstanding Republican in 1916, a conservative Republican of mature political experience, a Republican oftentimes assailed for his reactionary philosophy, but who nevertheless was a strong, substantial leader of his party, who was Secretary of State and Secretary of War by appointment of President Theodore Roosevelt; I repeat, if men understood the question as he did in 1916, the wage and hour bill would be in conference today. Listen, my colleagues, to the prophetic utterances of Mr. Elihu Root, delivered in 1916. This article comes from the very conservative United States Weekly, edited by that conservative publisher, Mr. David Lawrence. In 1916 Mr. Root had this to say:

The real difficulty appears in the new conditions incident to the extraordinary industrial development of the last half century—

If Mr. Elihu Root could have been with us last week, with his knowledge of the vast and more refined development that has taken place since his demise, how much stronger and how much more emphatically would he have delivered the message. But let me continue the quotation from Mr. Root:

The real difficulty appears to be that the new conditions incident to the extraordinary industrial development of the last half century are continuously and progressively demanding the readjustment of the relations between great bodies of men and the establishment of new legal rights and obligations not contemplated when existing laws were passed or existing limitations upon the powers of government were prescribed in our Constitution. In place of the old individual independence of life, in which every intelligent and healthy citizen was competent to take care of himself and his family, we have come to a high degree of interdependence in which the greater part of our people have to rely for all the necessities of life upon the systematized cooperation of a vast number of other men, working through complicated industrial and commercial machinery.

How true that is when we stop to think that the breakfast we ate this morning was made possible through the efforts of some 3,000 men. How true that is when we realize that if we violate the laws of nature, nature without warning rises up and kills. The same is true of our economy. How true it is, my friends, and still we violate the economic laws when we permit one industry to fix prices by controlling production, by setting standards of wages and labor conditions all over these United States.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the time of the gentleman be extended for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. On the other hand we would allow that uncontrolled industry—agriculture—to go on in the chaotic ways of the past, creating devastating surpluses, and destroying price levels, while shouting the philosophy of the rugged individualist, that we oppose the interference of Government, and then conjure up in our minds such words as "regimentation" and make them appear as hateful terms in the opinion of men.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. McCORMACK. Is not the real conservative the one who recognizes the problems that confront the people at a particular time and then tries to meet those problems in the interest of the people generally and of the Government? Is not he the real conservative?

Mr. MEAD. The gentleman is correct; and let me add just this final word to what the gentleman has so properly contributed to my remarks: The conservative is also one who, anxious to perpetuate the system in existence at the time, makes such needed advances as will prevent the destruction of the then existing system of government.

But let me go back to Elihu Root. Let me say to those Republicans who opposed his attitude while this bill was under consideration that until his party rises up to the leadership that his prophetic vision held in mind for them they will, in my judgment, fail to merit the support of the people of the United States.

Finally Mr. Root goes on to say:

Instead of the completeness of individual effort working out its own results in obtaining food and clothing and shelter, we have specialization and division of labor, which leaves each individual unable to apply his industry and intelligence, except in cooperation with a great number of others whose activity conjoined to his is necessary to produce any useful result.

Instead of the give and take of free individual contract, the tremendous power of organization has combined great aggregations of capital in enormous industrial establishments, working through vast agencies of commerce, and employing great masses of men in movements of production and transportation and trade so great in the mass that each individual concerned in them is quite helpless by himself.

The relation between the employer and the employed, between the owners of aggregated capital and the units of organized labor, between the small producer, the small trader, the consumer, and the great transporting and manufacturing and distributing agencies all present new questions for the solution of which the old reliance upon the free action of individual wills appears quite inadequate.

And in many directions the intervention of that organized control which we call government seems necessary to produce the same result of justice and right conduct which obtained through the attrition of individuals before the new conditions arose.

The SPEAKER. The time of the gentleman from New York [Mr. MEAD] has expired.

BRIDGE ACROSS THE TENNESSEE RIVER BETWEEN COLBERT COUNTY AND LAUDERDALE COUNTY, ALA.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 3114, to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County in the State of Alabama, authorized to be built by the State of Alabama, its agent or agencies; Colbert County and Lauderdale County in the State of Alabama; the city of Sheffield, Colbert County, Ala.; the city of Florence, Lauderdale County, Ala.; and the Highway Bridge Commission, Inc., of Alabama, or any two of them, or either of them, by an act of Congress approved June 12, 1934, as amended,

are hereby extended 1 and 3 years respectively, from the date of the approval of this act.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

On page 2, line 2, after the figures "1934", insert "and extended August 23, 1935, and May 1, 1936."

In line 3, after the word "hereby", insert the word "further."

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNUAL REPORT OF CENTRAL STATISTICAL BOARD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and referred to the Committee on Expenditures in Executive Departments:

To the Congress of the United States:

Pursuant to the provisions of section 5 (f) of the act of Congress approved July 25, 1935, I transmit herewith for the information of the Congress the Third Annual Report of the Central Statistical Board for the period from July 1, 1936, to June 30, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 20, 1937.

THE RUBBER INDUSTRY

Mr. HARTER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the rubber industry.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARTER. Mr. Speaker, I notice in the public press that the Department of Justice is about to investigate the rubber industry, because certain bids were received upon public contracts, which were in identical terms and figures. Evidently the Department of Justice feels that the rubber industry is monopolistic and should be investigated. It happens that anybody who is familiar with the rubber industry and its history over recent years, well realizes that the rubber industry of all of the large industries of this country, is anything but a monopoly. Unfortunately for those identified with the rubber industry, both employees and stockholders, have suffered through the cutthroat competition and price cutting which existed for many years. Instead of fair prices prevailing for tires, one manufacturer would try to outdo another in seeing how far he could depress prices. This gave rise to a tremendous speeding up of labor in the factories, difficulty in paying proper wages and little, if any return, to those who had made investments in the shares of the rubber companies. Naturally this was economically unsound and particularly was this true because the public was not asking lower tire prices.

There is no commodity or manufactured article which is in common everyday use where we get more for our money than in the purchase of automobile tires. You can hardly mention an article of clothing or anything in general use which gives as much value for the expenditure, as the rubber tire. Instead of costing more, it costs much less than it did 15 or 20 years ago, and gives us several times the mileage and the service than it did at that time.

One thing the organizing and unionization of the employees of the rubber industries did as no other, and that was to make the heads of these companies realize the futility of the continuous slashing of tire prices.

While we are unalterably opposed to anything that smacks of collusion in submitting bids for public business, we are of the opinion that no hasty action should be taken with reference to the rubber industry.

Mr. Speaker, I ask unanimous consent to extend my remarks by including a recent editorial appearing in the Akron Beacon Journal.

The SPEAKER pro tempore (Mr. O'CONNOR of New York). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The editorial is as follows:

[Akron (Ohio) Beacon Journal]

THE EDITOR'S NOTEBOOK

There is a distinct note of irony in the New Deal's determination to prosecute five Akron rubber companies for submitting identical bids several months ago on a piece of Government business.

Labeled for years as the "most destructive price cutters in industry," the tire makers finally listened to the importunities of both stockholders and labor and decided to put an end to the "dog eat dog" tactics that had prevailed through good times and bad.

And what happened? They agreed so perfectly on their schedule of prices that the strong arm of the law is now shaking a menacing finger at them for an alleged violation of our anti-trust laws.

On October 23, 1935, the Beacon Journal spoke as follows:

"Today the tire industry is in the throes of the most ruthless and economically unjustifiable cutthroat era of selling in the history of modern merchandising. Every trick in the category of unfair competition is being employed.

"Discounts running up to 40, 50, and 60 percent are almost standard practice. Retailers are being subsidized by manufacturers. Volume buyers write their own ticket. All thought of operating at a profit seemingly has been cast to the winds. The one all-pervading idea in the rubber industry today is to exterminate competitors; to seek a level of costs so low that the less favorably situated manufacturers cannot stand the pace and will be forced out of the field."

There was a great deal more written in a similar vein, but the few paragraphs quoted above are sufficient to show that the rubber companies at that time were locked in a death struggle in which only the strongest and most adequately financed concerns could possibly survive.

But long before their strength was exhausted in this war of extermination a common enemy appeared on the scene, which made them forget all about fighting each other. It was the labor movement.

Say what you will about the rubber union, it was the first force in the history of the industry that ever made the Litchfields, Firestones, Tews, Seiberlings, and O'Neils see through the same pair of glasses.

The price cutting stopped. Our manufacturers began to get for their tires something more nearly in line with what they were worth. As Mr. Litchfield pointed out in one of his talks, the automobile tire we buy today costs but one-fourth as much and lasts 10 times as long as those manufactured before the war. The customer was satisfied, the industry maintained a high wage scale, and the companies began to make some money.

But a government which had made a concerted drive for higher commodity prices and which, through its wanton extravagance and killing taxes, had tilted the cost of everything we buy to the ceiling, was not satisfied.

It must have a Federal investigation of the "monopolistic" causes of the same price advances which it had heretofore encouraged. In no other way can the political ambitions of one Robert Jackson, the Department of Justice's crusading young lawyer, be advanced. So the Rubber Trust was selected as one of the goats to be offered up on the sacrificial altar.

It would all be very amusing if it were not quite so serious. Kicked around for years, the rubber companies finally decide to try a few common-sense rules in business. It works fine until the Government hears about it. And the Government, which is more interested in making a sucker out of a businessman than it is in getting men back to work, says, "Wait a minute, there; you can't do that. You're conspiring against the dear public."

Of course, the public isn't making any squawk about the price of tires, but what does the Government care about that? The boys down in Washington are looking for headlines.

Please don't get the idea that we are condoning the practice of submitting identical bids on Government business. It is both a vicious and a stupid practice. We would be at a loss to explain how the men who comprise the sharp-pencil squad at the rubber companies ever hoped to get away with it.

But even the thought of sending men to jail for price fixing who had won their letters in price cutting long before we ever heard of the New Deal leaves us just a bit confused and limp.

J. S. K.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Speaker, I know I am addressing myself to a very difficult problem that confronts the Nation. On August 30 I addressed the following letter to the President of the United States. I read in part:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 30, 1937.

HIS EXCELLENCY THE PRESIDENT OF THE
UNITED STATES, HON. FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR PRESIDENT ROOSEVELT: As a Member of Congress that voted for the Neutrality Act, I believe that Congress by its vote, if it

were in session, would invoke that section of the Neutrality Act that prohibits the shipment of arms and munitions to countries involved in war and ban shipments of all forms of munitions to China and Japan.

Congress has given you, as President of the United States, the power to stop the shipment of arms and ammunition. I fully realize the complexities of the situation. I feel it my duty, however, as a Member of Congress to give you my views on this troublesome problem.

Respectfully yours,

To this letter I received a very courteous reply from the President advising me that the situation was receiving his personal attention, as we all know it has received his wholehearted and capable attention.

Certainly we are involved in a situation that requires all the powers invested by the Congress in the President and the State Department to be used to steer us safely through this situation. Congress by its act, however, before the situation became so grave, gave the President power to stop the shipment of arms and ammunition. Certainly since this law was in existence before the situation became so critical, and certainly since even under the old neutrality law the power to prevent the shipment of arms and ammunition was invoked, neither China nor Japan could consider it in retaliation to Japan's recent action should the President invoke that clause in the Neutrality Act barring the shipment of arms and ammunition. I am sure the country does not want to be in the position of furnishing the very arms and ammunition which are endangering the lives of our nationals who are in China at this time. My position is the same as it was last August 30. The sale of these arms and munitions should be stopped.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. JOHNSON of Oklahoma. As I understand the situation, Japan is at this time experiencing some financial difficulties. It is well known that some of our international bankers are making huge loans to Japan at this time. It is also generally understood that if American bankers would withdraw those loans or refuse to make further loans to the Japanese Government the Sino-Japanese war would end within 60 days.

Mr. FERGUSON. I have no such definite information on the subject. Credits undoubtedly are being extended by American bankers at this time with which to purchase arms and ammunition in this country. In fairness to the President I must say shipments are not allowed in American vessels.

Mr. MICHENER. Mr. Speaker, if the gentleman will yield, what is the difference between the bankers doing it and the Government permitting it?

[Here the gavel fell.]

Mr. FERGUSON. My time has expired.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

AMERICA BECOMES OF AGE

Mr. BREWSTER. Mr. Speaker, America approaches the parting of the ways. In this Christmas season America may well pause and withdraw for a season to the heights of spiritual contemplation to survey the great procession of civilization of which we are becoming an increasingly important part.

Ever since England sank the Spanish armada in defense of its sacred soil security has been spreading through the world on the basis of British might.

British power has held the balances even between the contending European factions and has been able steadily to spread its sway throughout the world.

The British Empire stands today as the symbol of peaceful progress won originally by might of arms.

The lesson of American independence was not lost. In Asia, Africa, and America teeming colonies stand as mute monuments to the capacity of the Anglo-Saxon to colonize.

THE LEAGUE OF NATIONS

Following the World War the world was offered the League of Nations as a guaranty of the status quo. This system now faces a challenge from the nations who were debarred. The growing might of the fascist powers seeks an outlet on every hand.

BRITISH TRADE POLICIES

Coincident with an expanding colonial empire, Great Britain fostered the growth of international law governing the right to trade.

Wherever the British merchant marine carried the British flag in search of trade there was the British Navy to enforce respect for more and more generally acknowledged rights.

Small countries might challenge these rights in vain. For four centuries the British Empire has been developing respect for trade and for the British flag that flew above the most remote trading post.

The British Empire now faces ceaseless attacks on a vastly extended front. In Asia, in Africa, and even near at home in Europe this conflict is being fomented by all the cunning devices of modern propaganda.

In the Near East and the Far East, in the North Sea, the Mediterranean, and the Indian Ocean the British lion faces an increasingly angry pack.

Anglo-Saxon civilization makes a profound appeal. Disregarding the battle for our birth and the occasionally recurring strife that marked the assertion of our independence, America yet recognizes the great heritage of its English ancestry in a thousand varied ways.

Our system of government, our laws, our customs, our language—almost all those subtle influences that give character to a nation and a civilization are drawn from our Anglo-Saxon ancestry that founded the scattered Colonies along our shores.

This bond of blood and custom transcends in compacting power any alliances that it would be possible for the hand of the diplomat to write.

ENGLAND'S PROBLEM

Yet there broods over the scene the solemn warning of George Washington that America must beware of those entangling alliances that have to do with the systems of Europe and of Asia in which our vital interests are not concerned. England now faces perhaps the most serious challenge to its might. Great Britain holds the balance of power in this complex modern world only if the great American democracy shall align itself at the British side.

America must soon become of age. America may align itself with Great Britain and for much of this present century may in all human probability dominate the world and enforce upon the Fascist and Communist powers alike our conceptions of a civilization that shall serve the progress of the world.

The United States will then assume its share of the white man's burden that is laying so heavily upon the English back. Let us be mindful, however, that if we adopt this policy we must assume responsibilities that are exceedingly grave.

WHAT ARE WARS FOR?

Only children believe that wars are provoked by episodes that precipitate these conflicts. No nation that has the slightest degree of intelligence in the direction of its foreign policies permits wars to be fought unless the vital interests of the country are concerned.

BRITISH POLICY

Great Britain has repeatedly exemplified this ancient maxim and has endured year after year affronts that would have warranted military action if they had deemed that British interests would be served.

The British stake in their colonies and in British trade is so great that Great Britain must ultimately fight or face the same inevitable disintegration that came to the Roman Empire when the barbarian hordes flowed down from the north and east and west.

One may confidently depend upon British policy intelligently to prepare and to determine when the right mo-

ment has arrived to assert their might. It is not every violation of a treaty that impels Britain to take arms. They did not think the day had come when Manchukuo was overrun by the Japanese. They did not think it was time to act when Germany defied the Treaty of Versailles and marched its forces into the Rhine and began rearmament upon a constantly increasing scale in defiance of the provisions of the treaty Germany had signed—albeit under the compulsion of its military collapse.

Great Britain has endured in recent years aggressive acts in the Mediterranean that a few decades ago would not have been tolerated for a single week. The British lion growls but it does not feel the time has come to strike.

WORLD WAR

Three years of careful preparation and propaganda were essential before America was ready to enter the World War upon the side of the Allies. Revelations of recent years have revealed in startling clarity that America was very poorly informed as to much of what was going on both in the issues that were at stake and in the secret agreements that were involved.

America has been sadly disillusioned by the discovery of many of the sordid arrangements that went on behind the scenes while the men of all nations were laying down their lives in behalf of the high ideals that were held before their eyes.

In this Christmas season America may well pause and adopt as its New Year's resolution a determination to educate Americans everywhere to the implications of our foreign policy in order to arrive at an intelligent determination of the path America shall take.

BRITISH AND AMERICAN STAKES IN FAR EAST

Great Britain has tremendous stakes in the Far East with more than a billion-dollar investment in China, besides the British-India possessions and Australia and New Zealand at the Antipodes, that stir restlessly at the growing might of the Japanese. The Dutch East Indies are also a most attractive morsel for an aggressor nation and the British must consider their defense.

Yet, with the Russian and German threat upon one flank in the North Sea and Italy harrying the life line of the Empire through the Mediterranean, the British are frankly unable to meet the onrushing hordes of the Japanese in the Far East unless the United States is associated with them in any action.

This has been the significance of many developments of recent months as English officials have repeatedly declared their readiness to go as far as the United States should deem expedient.

The United States' stake, however, is very different. So far as the material interests immediately involved in Asia are concerned, those interests are negligible from whatever angle they may be viewed.

If we assume an American investment of \$200,000,000 in China, a child will realize that we should obligate more than that amount in the first week of any major war.

INTERNATIONAL LAW

But what of the rights of international law and of international trade and what will become of the world if aggressor nations shall be permitted without restriction to ride roughshod across the world?

How long before America must meet a new barbarian horde? How long will America be left with any degree of security if aggressor nations shall be permitted with impunity to brush us from the trade routes of the world?

TOO WISE TO FIGHT

Most Americans do not belong to the company of those who are too proud to fight, but an increasing army of Americans are joining the hosts of those who are too wise to fight unless the vital interests of America are obviously involved.

COLONIAL STAKES

America obviously has no colonial stake across either the Atlantic or Pacific oceans that drive us to resist the acts of the aggressors. Great Britain has no choice. Great Britain must choose to fight.

America's stake is rather in the desire to see a peaceful world and the increasing establishment of law and order that shall reach to its remotest borders.

The United States has a material stake in the desire to expand its trade. After the Civil War, as American industrial development and foreign trade grew apace, the United States attempted to follow British precedent in extending its trade empire throughout the world. British precedents and practices have in large measure prevailed. A navy second to none has been developed along British lines. Accepted practices in international trade have been enforced in countries where civilization had not as yet taken root.

This has been true of successive administrations in the State Department without regard to partisan complexion. J. P. Morgan has testified that he honestly and earnestly believed that the vital interests of the United States lay with the Allies. All the financial and propaganda power of the Morgan interests and their affiliates may have been properly dedicated to bringing America into the war on the side of the Allies. Fifty thousand American boys gave their lives in that crusade.

Certainly the sorry condition of the world today does not indicate that we achieved victory for our objective of making the world safe for democracy. Democracy faces a challenge today such as it has not known since it established itself in the Napoleonic era a century and a half ago.

FOREIGN AFFAIRS NONPARTISAN

As America enters the valley of decision to determine its foreign policy for coming years, let us remember that partisanship in such a situation is not calculated now to serve. Certainly neither President Roosevelt nor Secretary Hull were responsible for the gunboat *Panay* being upon the Yangtze nor for the policy of conveying the Standard Oil tankers that were carrying supplies up the river. That practice has been followed under successive administrations without regard to which one of the great parties was here in power.

Whether the gunboat would have continued its voyages and the Standard Oil tankers would have continued to operate on the Yangtze if the President had observed the Neutrality Act and found that a state of war existed in China is a matter of debate. All shipments of war supplies from America would have been automatically stopped. Shipment of other supplies could have been put upon a cash-and-carry basis, with foreign boats required for their transportation. This would have eliminated any danger of American ships or the American flag or American seamen becoming involved.

NEUTRALITY LEGISLATION

The duration of this crisis is not the time to discuss whether the President has observed or should observe the neutrality law enacted by the Congress of the United States and signed by the President. If there existed in the executive department of the Government the conviction that this law constituted an unwarranted encroachment upon the constitutional powers of the Executive to conduct our foreign affairs or if it was deemed to be extremely unwise, then in either event there existed in the Executive the power to veto. But this power was not exercised. The act was signed and became a law, and certainly under any conception of the democratic process that translates the issue to the question of whether or not the provisions of the law are applicable.

The Counselor for the State Department, Hon. R. Walton Moore, indicated very clearly during the committee hearings on the original Neutrality Act that it was not contemplated that discretionary power to find a state of war was to be placed in the President. Certainly the language used in the present law was not calculated to convey such a congressional intent.

Whether or not a state of war actually exists in China today would not seem to be a matter of debate. With this crisis past it may be hoped that serious consideration will be given by those in authority to the application of this neutrality law whether or not the State Department believes this law to represent a wise policy for the United States.

FOREIGN TRADE

Any dispassionate survey of the condition of the world and of the growth of aggressor nations and their evident ambitions must convince one that the maintenance of our foreign trade in Asia and Europe and Africa will require that we ultimately must fight.

Would it not be well for America before we are too inextricably involved to consider carefully whether or not the gain will be worth the cost it must inevitably involve?

One does not need to question the sincerity of Secretary Hull in urging reciprocal-trade agreements as the path to peace in order to recognize that the more widespread become our trade interests the more inevitably we shall be involved in foreign difficulties of one kind or another, and that American boys must eventually be sent overseas to protect our rights of trade.

The alternative is the adoption of a gradual policy of independence of those areas where aggressor nations are seeking to extend their sway insofar as Europe, Asia, and Africa are concerned. We are not obliged to go to Donnybrook fair. An old political adage advises "Never argue the right-of-way with a skunk."

America has been placed with two mighty moats to protect us on the east and on the west. It will be a long time in the future before the warring nations of Europe and Asia will be prepared to meddle with the United States anywhere in the Americas.

MONROE DOCTRINE

No doctrine is more firmly embedded in our foreign relations than the Monroe Doctrine. On that platform America for this century may safely take its stand and prepare to defend its rights and vital interests against all comers in this increasingly restless world.

The other policy of extending our foreign trade to the three continents across the seas will mean that within a decade we shall be involved in foreign wars in either Asia or Europe. Whatever temporary success we gain will be at a terrific cost as it will mean that we are involved in acting as a policeman for the world.

The abandonment of the Philippines is strong notice to the world that America does not intend to become involved in the Far East. Those in charge of our foreign policy during this coming year and the Congress of the United States may well consider carefully whether the vital interests of America may not be better served by frankly recognizing the condition of world affairs and determining not that America is too proud to fight but that America is too wise to fight except in behalf of matters that directly concern the welfare of the people of the United States and of the Americas in which we recognize our proper sphere of interest.

BRITISH FRIENDSHIP

This policy need indicate no lack of sympathy for the challenge which the British Empire must now face and no lack of the aid which America may properly extend in a variety of ways to our beleaguered English cousins, but it does mean that America must develop a policy that is American and nothing else, and that takes into account the vital interests of America and of no other nation.

The more dependent American economic interests become upon trade overseas the more inevitably does America face the certain threat of war.

Perhaps America may eventually emerge as "The Lost Horizon," where the civilization of our day may be preserved from the barbarian hosts. Here the weary struggling peoples of Europe and of Asia may eventually turn for surcease from the vain struggle to solve their problems with the sword.

ALL-AMERICAN POLICY

Let America prepare to defend the Americas against foreign encroachment of any kind. Let America develop an economy which may increasingly be independent of supplies from overseas. America may then survey with some measure of equanimity and yet with no lack of profound sympathy the seething struggles of the nations overseas.

Let us turn back the pages of history and read the wisdom of Holy Writ, "He who takes the sword shall perish by the

sword." Let us prepare ourselves properly to meet any menace that may come, but let us also have full confidence that the tombs of Alexander, Caesar, and Napoleon tell the certain story of those who seek to dominate the world by force.

America need seek to avoid no responsibility for the preservation of civilization. But America may well recognize its unique position among the nations of the earth. America may serve the interests not only of America but of all mankind by guarding well its own and thus preserve that precious heritage we have received from the ten generations of our ancestors who have sacrificed so greatly to build America to a position of preeminence among the nations of the world. [Applause.]

EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD by inserting a short editorial in today's News on wages and hours.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief article by a constituent of mine, Mr. Walter Lippmann.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 67) entitled "Joint resolution conferring jurisdiction on the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased."

PERMISSION TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, on tomorrow, after the reading of the Journal and the disposition of business on the Speaker's desk, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 2 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 21, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Tuesday, January 11, 1938, at 10 a. m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales-tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, train-lengths bill.

COMMITTEE ON THE JUDICIARY

The Special Bankruptcy Subcommittee of the Committee on the Judiciary will continue a public hearing on the Frazier-Lemke bill (S. 2215) to amend section 75 of the Bankruptcy Act, in the Judiciary Committee room at 346, House Office Building, on Wednesday, January 5, 1938, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

901. A letter from the Secretary of War, transmitting a draft of a bill to authorize credit in the accounts of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department, which the War Department presents for the consideration of the Congress with a view to its enactment into law; to the Committee on Claims.

902. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill to amend laws for preventing collisions of vessels, to regulate equipment of motorboats on the navigable waters of the United States, to regulate inspection and manning of certain motorboats which are not used exclusively for pleasure and those which are not engaged exclusively in the fisheries on inland waters of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOURCES

Under clause 2 of rule XIII,

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 8623. A bill authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Polk County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North westerly of Nielsville, Minn.; without amendment (Rept. No. 1657). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 8409. A bill authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Norman County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North between Caledonia, N. Dak., and Shelly, Minn.; without amendment (Rept. No. 1658). Referred to the House Calendar.

Mr. REECE of Tennessee: Committee on Interstate and Foreign Commerce. S. 3114. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.; with amendment (Rept. No. 1659). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEROUEN: A bill (H. R. 8772) to extend the authority of the Secretary of the Interior to grant privileges, leases, and permits to all lands and buildings under the jurisdiction of the National Park Service, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 8773) to authorize the Secretary of the Interior to dispose of surplus buffalo and elk of the Wind Cave National Park herd, and for other purposes; to the Committee on the Public Lands.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 8774) to amend the Seamen Act of March 4, 1915, as amended and extended, with respect to its application to tug towing vessel firemen, linemen, and oilers; to the Committee on Merchant Marine and Fisheries.

By Mr. SIROVICH: A bill (H. R. 8775) for the creation of a National Commission on Unemployment; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ELLENBOGEN: A bill (H. R. 8776) for the relief of John Grannis; to the Committee on Military Affairs.

By Mr. POLK: A bill (H. R. 8777) granting an increase of pension to Sallie A. Guthrie; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3674. By Mr. GAMBLE: Petition of Frank Colao and other residents of White Plains and East White Plains, N. Y., imploring the Congress to keep the United States out of foreign entanglements, and especially to avoid any trouble with the Government of Japan; to the Committee on Foreign Affairs.

3675. Petition of Mr. and Mrs. Herman Lindhjem and other residents in Valhalla, N. Y., urging a reduction in the interest rate on mortgages held by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

3676. By Mr. HART: Petition of the Hudson County Railroad Smoke Association of Jersey City, N. J., urging that rate increases be given the railroads; to the Committee on Interstate and Foreign Commerce.

3677. By Mr. RICH: Petition of the Local Union No. 862, Brotherhood of Railroad Trainmen, of Williamsport, Pa., favoring the Black-Connery labor bill; to the Committee on Labor.

3678. By Mr. THOMAS of New Jersey: Petition of 75 residents of Garfield, N. J., urging the passage of the Ludlow war referendum (H. J. Res. 199); to the Committee on the Judiciary.

3679. By the SPEAKER: Petition of the Associated Commercial Clubs of the Black Hills of South Dakota and Wyoming, Sturgis, S. Dak., petitioning consideration of their resolution dated August 27, 1937; to the Committee on Military Affairs.

SENATE

TUESDAY, DECEMBER 21, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 20, 1937, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 3114) to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala., with amendments, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, and it was signed by the President pro tempore.

TENNESSEE RIVER BRIDGE, ALABAMA

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3114) to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala., which were, on page 2, line 2, after "1934", to insert "and extended August 23, 1935, and May 1, 1936"; and on page 2, line 3, after "hereby", insert "further."

Mrs. GRAVES. I move that the Senate concur in the House amendments.

The motion was agreed to.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	La Follette	Pope
Andrews	Donahay	Lodge	Radcliffe
Ashurst	Duffy	Logan	Reynolds
Austin	Ellender	Louderman	Russell
Bailey	Frazier	Lundeen	Schwartz
Bankhead	George	McAdoo	Schwellenbach
Barkley	Gerry	McCarran	Sheppard
Borah	Gibson	McGill	Shipstead
Bridges	Graves	McKellar	Smathers
Brown, N. H.	Green	McNary	Steiwer
Bulkeley	Guffey	Maloney	Thomas, Okla.
Bulow	Hale	Miller	Thomas, Utah
Burke	Harrison	Minton	Vandenberg
Byrd	Hatch	Murray	Van Nuys
Capper	Hayden	Neely	Wagner
Caraway	Herring	Norris	Walsh
Chavez	Hitchcock	Nye	Wheeler
Connally	Holt	O'Mahoney	White
Copeland	Johnson, Colo.	Pepper	
Davis	King	Pittman	

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES] is absent because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. BONE], the Senator from Michigan [Mr. BROWN], the junior Senator from South Carolina [Mr. BYRNES], the senior Senator from Missouri [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], the Senator from Louisiana [Mr. OVERTON], the senior Senator from South Carolina [Mr. SMITH], the junior Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Delaware [Mr. TOWNSEND] is absent because of illness in his family.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

TRIBUTE TO ADMIRAL DEWEY AND OTHER VERMONT NAVAL OFFICERS

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the Honorable Josephus Daniels, United States Ambassador to Mexico. Mr. Daniels was Secretary of the Navy in the Cabinet of President Wilson from March 5, 1913, to March 6, 1921. His letter attests the eminent services of Admiral Dewey not only as an able and outstanding officer of the Navy but also as a distinguished statesman. He also refers to other distinguished officers of the Navy who were born in Vermont and to Hon. Charles H. Darling, of Burlington, Vt., who was Assistant Secretary of the Navy from 1901 to 1905. I should like to have their service glorified in this manner.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FOREIGN SERVICE OF THE
UNITED STATES OF AMERICA,
AMERICAN EMBASSY,
Mexico, December 15, 1937.

The Honorable WARREN R. AUSTIN,
United States Senate, Washington, D. C.

DEAR SENATOR: It gave me very great pleasure to read in the CONGRESSIONAL RECORD of December 1 your tribute to Admiral Dewey, who was my best friend and chief adviser in the years when I was Secretary of the Navy, before we entered the World War.

As you point out, Admiral Dewey, then commodore, was the first naval statesman to appreciate when we entered the War with Spain that the most dynamic blow against Spain could be struck in the far-away Philippines. While other admirals and captains were for high command in the Caribbean, where the chief interest in the war centered, Dewey had the vision to see that breaking the power of Spain in the Philippines would lead to the perfect victory, which came later.

When he sailed away, most Americans thought, if they thought at all, that Dewey's ships were virtually interned in the Far East for the duration of the war. He knew better, and the result